

## **As Introduced**

**130th General Assembly**

**Regular Session**  
**2013-2014**

**H. B. No. 5**

**Representatives Grossman, Henne**

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### **A B I L L**

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 amend, for the purpose of adopting a	5
new section number as indicated in parentheses,	6
section 718.04 (718.50), to enact new sections	7
718.01, 718.011, 718.04, 718.05, 718.06, 718.08,	8
and 718.12 and sections 718.052, 718.18 to 718.31,	9
718.35 to 718.39, 718.41 to 718.44, and 718.99,	10
and to repeal sections 718.01, 718.011, 718.041,	11
718.05, 718.06, 718.08, 718.12, and 718.14 of the	12
Revised Code to revise the laws governing income	13
taxes imposed by municipal corporations.	14

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

<b>Section 1.</b> That sections 715.013, 718.02, 718.03, 718.051,	15
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059,	16
5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063,	17
5747.064, and 5751.07 be amended, section 718.04 (718.50) be	18
amended for the purpose of adopting a new section number as	19
indicated in parentheses, and new sections 718.01, 718.011,	20
718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.052,	21

718.18, 718.19, 718.20, 718.21, 718.22, 718.23, 718.24, 718.25,	22
718.26, 718.27, 718.28, 718.29, 718.30, 718.31, 718.35, 718.36,	23
718.37, 718.38, 718.39, 718.41, 718.42, 718.43, 718.44, and 718.99	24
of the Revised Code be enacted to read as follows:	25
<b>Sec. 715.013.</b> (A) Except as otherwise expressly authorized by	26
the Revised Code, no municipal corporation shall levy a tax that	27
is the same as or similar to a tax levied under Chapter 322.,	28
3734., 3769., 4123., 4141., 4301., 4303., 4305., 4307., 4309.,	29
5707., 5725., 5727., 5728., 5729., 5731., 5735., 5737., 5739.,	30
5741., 5743., <del>or 5749.</del> <ins>or 5751.</ins> of the Revised Code.	31
(B) This section does not prohibit a municipal corporation	32
from levying a tax on any of the following:	33
(1) Amounts received for admission to any place;	34
(2) The income of an electric company or combined company, as	35
defined in section 5727.01 of the Revised Code;	36
(3) On and after January 1, 2004, the income of a telephone	37
company, as defined in section 5727.01 of the Revised Code.	38
<b><u>Sec. 718.01.</u></b> Any term used in this chapter that is not	39
<u>otherwise defined in this chapter has the same meaning as when</u>	40
<u>used in a comparable context in laws of the United States relating</u>	41
<u>to federal income taxation or in Title LVII of the Revised Code,</u>	42
<u>unless a different meaning is clearly required. If a term used in</u>	43
<u>this chapter that is not otherwise defined in this chapter is used</u>	44
<u>in a comparable context in both the laws of the United States</u>	45
<u>relating to federal income tax and in Title LVII of the Revised</u>	46
<u>Code and the use is not consistent, then the use of the term in</u>	47
<u>the laws of the United States relating to federal income tax shall</u>	48
<u>control over the use of the term in Title LVII of the Revised</u>	49
<u>Code.</u>	50

<u>As used in this chapter:</u>	51
<u>(A) "Municipal taxable income," in the case of a person who is not an individual who is a resident of a municipal corporation, means income, reduced by exempt income to the extent otherwise included in income and then apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code. In the case of an individual who is a resident of the municipal corporation, "municipal taxable income" means income reduced by exempt income to the extent included in income.</u>	52 53 54 55 56 57 58 59
<u>(B) "Income" means the following:</u>	60
<u>(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. Any losses reflected on a taxpayer's federal tax return from an investment as a partner in a pass-through entity shall not be allowed as a deduction against any other source of income other than the income described in division (B)(1)(a) of this section.</u>	61 62 63 64 65 66 67 68 69 70
<u>(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.</u>	71 72 73 74
<u>(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:</u>	75 76 77 78 79
<u>(a) The nonresident's distributive share of the net profit of pass-through entities owned, directly or indirectly, by the</u>	80 81

<u>nonresident, but any losses reflected on a taxpayer's federal tax return from an investment as a partner in a pass-through entity shall not be allowed as a deduction against any other source of income other than the income described in division (B)(2)(a) of this section; and</u>	82
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(b) <u>Any net profit of the nonresident.</u>	87
(3) <u>Net profit of any taxpayer that is not an individual;</u>	88
(4) <u>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.</u>	89
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(C) <u>"Exempt income" means all of the following:</u>	93
(1) <u>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;</u>	94
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(2)(a) <u>Except as provided in division (C)(2)(b) of this section, intangible income;</u>	97
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(b) <u>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.</u>	99
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(3) <u>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</u>	106
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<u>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.</u>	112
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<u>(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.</u>	120
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<u>(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 that compensation.</u>	124
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<u>(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;</u>	132
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<u>(7) Alimony and child support received;</u>	135
<u>(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;</u>	136
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<u>(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for</u>	140
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<u>purposes of Chapter 5745. of the Revised Code.</u>	143
<u>(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;</u>	144 145 146 147 148 149
<u>(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;</u>	150 151
<u>(12) Employee compensation that is not qualifying wages;</u>	152
<u>(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.</u>	153 154 155 156 157 158 159 160 161
<u>(14) For an individual under eighteen years of age, all income except qualifying wages;</u>	162 163
<u>(15)(a) Qualifying wages described in division (B)(1) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding under division (B)(2) of that section.</u>	164 165 166 167
<u>(b) Nothing in this division prohibits an employee from receiving a refund of the taxes described in division (B)(2) of section 718.011 of the Revised Code.</u>	168 169 170
<u>(c) The exemption provided in division (C)(15)(a) of this section does not apply for the municipal corporation in which the</u>	171 172

<u>employee resided at the time the employee earned the qualifying wages that are not subject to withholding under division (B)(1) of section 718.011 of the Revised Code.</u>	173 174 175
<u>(16) Income the taxation of which is prohibited by the constitution or laws of the United States.</u>	176 177
<u>(D)(1) "Net profit" for a person other than an individual means adjusted federal taxable income.</u>	178 179
<u>(2) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, schedule F, or form 4797, reduced by any net operating loss carried forward. For the purposes of division (D)(2) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in divisions (E)(8) and (9) of this section.</u>	180 181 182 183 184 185 186
<u>(3) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, net profit of a single member limited liability company that for federal income tax purposes is treated as neither an S corporation nor a C corporation shall not be taxable as against that single member limited liability company, but shall instead be included in the net profit of the owner of the single member limited liability company.</u>	187 188 189 190 191 192 193
<u>(4) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, the net profits of a pass-through entity shall only be taxed and reported in the manner described in section 718.43 of the Revised Code.</u>	194 195 196 197
<u>(E) "Adjusted federal taxable income," for a person required to file as a C corporation means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:</u>	198 199 200 201
<u>(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless</u>	202 203

<u>of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.</u>	204
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<u>(2) Add an amount equal to five per cent of intangible income deducted under division (E)(1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;</u>	206
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<u>(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;</u>	211
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<u>(4)(a) Except as provided in division (E)(4)(b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;</u>	215
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<u>(b) Division (E)(4)(a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.</u>	220
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<u>(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;</u>	223
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<u>(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;</u>	225
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<u>(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from providing public services under a contract through a project owned by the state, as described in section 126.604 of the Revised Code or derived from a transfer agreement or from the enterprise</u>	230
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<u>transferred under that agreement under section 4313.02 of the Revised Code;</u>	235
<u>(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) of this section, deduct any net operating loss incurred by the taxpayer in taxable years beginning after 2014. The amount of the net operating loss as apportioned and situated under section 718.02 of the Revised Code for the year the loss was incurred shall be deducted from net profit reduced by exempt income to the extent necessary to reduce municipal taxable income to zero, with the remaining unused portion of the deduction, if any, carried forward to the remaining years of a designated carryover period, but in no case for more years than necessary for the deduction to be fully utilized. For the purposes of this chapter, "net operating loss" includes, but is not limited to, unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.</u>	237 238 239 240 241 242 243 244 245 246 247 248 249 250
<u>(b) No taxpayer shall use the deduction allowed by division (E)(8) of this section to offset qualifying wages.</u>	251 252
<u>(c)(i) For taxable years beginning after 2015, a taxpayer may not deduct more than twenty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section.</u>	253 254 255
<u>(ii) For taxable years beginning after 2016, a taxpayer may not deduct more than forty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section.</u>	256 257 258
<u>(iii) For taxable years beginning after 2017, a taxpayer may not deduct more than sixty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section.</u>	259 260 261
<u>(iv) For taxable years beginning after 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.</u>	262 263 264
<u>(v) For taxable years beginning after 2019 and thereafter, a</u>	265

<u>taxpayer may deduct the full amount allowed by division (E)(8)(a) of this section.</u>	266
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<u>(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.</u>	268
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<u>(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.</u>	271
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<u>(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.</u>	276
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<u>(9) Deduct any net operating loss incurred in a taxable year beginning before January 1, 2015, to the extent such deduction was permitted by a resolution or ordinance of a municipal corporation adopted by the municipal corporation before January 1, 2014. Any deduction taken under division (E)(9) of this section may be carried forward to any taxable year, including taxable years beginning in 2015 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.</u>	279
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<u>(10) Patronage dividends that a person paid, distributed, or accrued for the taxable year and that the person is entitled to deduct for federal income tax purposes for the taxable year shall be allowed for the purpose of computing municipal taxable income for the taxable year and shall not be added back, in whole or in part, in the computation of adjusted federal taxable income for the taxable year.</u>	288
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<u>If the taxpayer is not a C corporation, is not a single member limited liability company that is treated as a disregarded</u>	295
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<u>entity for federal income tax purposes, and is not an individual,</u>	297
<u>the taxpayer shall compute adjusted federal taxable income under</u>	298
<u>this section as if the taxpayer were a C corporation, except</u>	299
<u>guaranteed payments and other similar amounts paid or accrued to a</u>	300
<u>partner, former partner, shareholder, former shareholder, member,</u>	301
<u>or former member shall not be allowed as a deductible expense;</u>	302
<u>amounts paid or accrued to a qualified self-employed retirement</u>	303
<u>plan with respect to a partner, former partner, shareholder,</u>	304
<u>former shareholder, member, or former member of the taxpayer,</u>	305
<u>amounts paid or accrued to or for health insurance for a partner,</u>	306
<u>former partner, shareholder, former shareholder, member, or former</u>	307
<u>member, and amounts paid or accrued to or for life insurance for a</u>	308
<u>partner, former partner, shareholder, former shareholder, member,</u>	309
<u>or former member shall not be allowed as a deduction.</u>	310
<u>Nothing in division (E) of this section shall be construed as</u>	311
<u>allowing the taxpayer to add or deduct any amount more than once</u>	312
<u>or shall be construed as allowing any taxpayer to deduct any</u>	313
<u>amount paid to or accrued for purposes of federal self-employment</u>	314
<u>tax. Nothing in division (E) of this section shall be construed as</u>	315
<u>allowing the owner of a pass-through entity to utilize any current</u>	316
<u>year net operating loss or net operating loss carryforward of such</u>	317
<u>pass-through entity to offset the net profit or wages of the</u>	318
<u>owner.</u>	319
<u>(F) "Schedule C" means internal revenue service schedule C</u>	320
<u>(form 1040) filed by a taxpayer pursuant to the Internal Revenue</u>	321
<u>Code.</u>	322
<u>(G) "Schedule E" means internal revenue service schedule E</u>	323
<u>(form 1040) filed by a taxpayer pursuant to the Internal Revenue</u>	324
<u>Code.</u>	325
<u>(H) "Schedule F" means internal revenue service schedule F</u>	326
<u>(form 1040) filed by a taxpayer pursuant to the Internal Revenue</u>	327
<u>Code.</u>	328

<u>(I) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code.</u>	329
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<u>(J) "Resident" means an individual who is both domiciled in this state for purposes of being subject to the tax levied by section 5747.02 as determined under section 5747.24 of the Revised Code and domiciled in the municipal corporation.</u>	331
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<u>(K) "Nonresident" means an individual that is not a resident.</u>	335
<u>(L)(1) "Taxpayer" means a person subject to a tax levied on income by a municipal corporation in accordance with this chapter. "Taxpayer" does not include a grantor trust or, except as provided in division (L)(2)(a) of this section, a single member limited liability company that is treated as a disregarded entity for federal income tax purposes.</u>	336
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<u>(2)(a) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:</u>	342
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<u>(i) The limited liability company's single member is also a limited liability company.</u>	348
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<u>(ii) The limited liability company and its single member were formed and doing business in one or more Ohio municipal corporations for at least five years before January 1, 2004.</u>	350
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<u>(iii) Not later than December 31, 2004, the limited liability company and its single member each made an election to be treated as a separate taxpayer under division (L)(2) of this section.</u>	353
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<u>(iv) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single</u>	356
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<u>member.</u>	359
<u>(v) The Ohio municipal corporation that was the primary place of business of the sole member of the limited liability company consented to the election.</u>	360 361 362
<u>(b) For purposes of division (L)(2)(a)(v) of this section, a municipal corporation was the primary place of business of a limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.</u>	363 364 365 366 367 368 369 370
<u>(M) "Person" includes individuals, firms, companies, joint stock companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity. "Person" does not include grantor trusts.</u>	371 372 373 374 375 376
<u>(N) "Pass-through entity" means a partnership not treated as an association taxable as a corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or single member limited liability company.</u>	377 378 379 380 381 382 383 384 385
<u>(O) "S corporation" means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.</u>	386 387 388
<u>(P) "Single member limited liability company" means a limited</u>	389

<u>liability company that has one direct owner and is treated as a disregarded entity for federal income tax purposes.</u>	390 391
<u>(O) "Limited liability company" means a limited liability company formed under Chapter 1705. of the Revised Code or under the laws of another state.</u>	392 393 394
<u>(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:</u>	395 396 397
<u>(1) Deduct the following amounts:</u>	398
<u>(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.</u>	399 400 401
<u>(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.</u>	402 403 404 405
<u>(c) 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 the municipal corporation has, by resolution or ordinance adopted before January 1, 2015, exempted the amount from withholding and tax.</u>	406 407 408 409 410 411
<u>(d) 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 adopted before January 1, 2015, exempted the amount from withholding and tax.</u>	412 413 414 415 416 417 418
<u>(2) Add the following amounts:</u>	419

<u>(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.</u>	420 421
<u>(b) Any amount not included in wages because 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 not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2015. Division (R)(2)(b) of this section applies only to those amounts constituting ordinary income.</u>	422 423 424 425 426 427 428 429
<u>(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R)(2)(c) of this section applies only to employee contributions and employee deferrals.</u>	430 431 432 433
<u>(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.</u>	434 435 436
<u>(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code.</u>	437 438 439
<u>(f) Any amount not included in wages if all of the following apply:</u>	440 441
<u>(i) For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for federal income tax purposes;</u>	442 443 444
<u>(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;</u>	445 446
<u>(iii) For no succeeding taxable year will the amount constitute wages; and</u>	447 448
<u>(iv) For any taxable year the amount has not otherwise been</u>	449

<u>added to wages pursuant to either division (R)(2) of this section or section 718.03 of the Revised Code, as that section existed before the effective date of ...B... of the 130th general assembly.</u>	450
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<u>(3) Except as otherwise provided in division (R)(2)(a) of this section and division (F) of section 718.03 of the Revised Code, no amount shall be deducted on the basis that the amount is exempt income.</u>	454
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<u>(S) "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the Revised Code, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include income required to be reported by a taxpayer on schedule C, schedule E, or schedule F, prizes, awards, or other income associated with any lottery winnings, gambling winnings, or other similar games of chance.</u>	458
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<u>(T) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.</u>	471
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<u>(U) "Tax administrator" means the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following:</u>	474
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<u>(1) A municipal corporation acting as the agent of another municipal corporation;</u>	478
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<u>(2) A person retained by a municipal corporation to</u>	480

<u>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;</u>	481
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<u>(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.</u>	484
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<u>(V) "Employer" means a person that is an employer for federal income tax purposes.</u>	490
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<u>(W) "Employee" means an individual who is an employee for federal income tax purposes.</u>	492
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<u>(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. "Other payer" includes casino operators and video lottery terminal sales agents.</u>	494
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<u>(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.</u>	499
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<u>(Z) "Form 4797" means internal revenue service form 4797 filed by a taxpayer pursuant to the Internal Revenue Code.</u>	501
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<u>(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.74 of the Revised Code.</u>	503
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<u>(BB) "Audit" means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person for the purpose of determining liability for a municipal income tax, provided the tax administrator has contacted the</u>	507
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<u>person, whether in writing, through telecommunication, or in person, regarding the examination or to request additional data from the person. "Audit" does not include the review of a taxpayer's tax return unless the tax administrator has contacted the person regarding such return.</u>	511 512 513 514 515
<u>(CC) "Generic form" means an electronic or paper form designed for reporting taxes withheld by an employer, agent of an employer, other payer, or pass-through entity, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim that is prescribed by the municipal tax policy board pursuant to section 718.42 of the Revised Code or otherwise includes all the information required by the municipal tax policy board on the corresponding electronic or paper form.</u>	516 517 518 519 520 521 522 523
<u>(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.</u>	524 525 526
<u>(EE) "Ohio business gateway" means the online computer network system, created under section 125.30 of the Revised Code, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.</u>	527 528 529 530 531
<u>(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code.</u>	532 533
<u>(GG) "Municipal tax policy board" means the board created in section 718.42 of the Revised Code.</u>	534 535
<u>(HH) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code.</u>	536 537
<u>(II) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.</u>	538 539
<u>(JJ) "Video lottery terminal sales agent" means a lottery</u>	540

<u>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.</u>	541
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<u>(KK) "Postal service" means the United States postal service.</u>	544
<u>(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.</u>	545
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<u>(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.</u>	548
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<u>(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.</u>	551
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<u>(OO) "Related entity" means any of the following:</u>	561
<u>(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;</u>	562
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<u>(2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at</u>	568
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<u>least fifty per cent of the value of the taxpayer's outstanding stock;</u>	572
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<u>(3) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under division (00)(4) of this section, provided the taxpayer owns directly, indirectly, beneficially, or constructively, at least fifty per cent of the value of the corporation's outstanding stock;</u>	574
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<u>(4) The attribution rules described in section 318 of the Internal Revenue Code apply for the purpose of determining whether the ownership requirements in divisions (00)(1) to (3) of this section have been met.</u>	581
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<u>(PP)(1) "Assessment" means a written finding by the tax administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty, or interest, to the municipal corporation that commences the person's time limitation for making an appeal to the local board of tax review pursuant to section 718.11 or 718.12 of the Revised Code, and has "ASSESSMENT" written in all capital letters at the top of such finding.</u>	585
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<u>(2) "Assessment" also includes a tax administrator's denial, in whole or in part, of a taxpayer's qualified refund claim.</u>	593
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<u>(3) "Assessment" does not include a tax administrator's written denial, in whole or in part, of a taxpayer's refund claim made on an originally filed annual tax return or a tax administrator's written correspondence to a person or taxpayer unless the receipt of such correspondence commences the time limitation for making an appeal to the local board of tax review pursuant to section 718.11 or 718.12 of the Revised Code.</u>	595
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<u>(OO) "Qualified refund claim" means a refund claim made on a</u>	602

<u>timely filed amended tax return.</u>	603
<u><b>Sec. 718.011.</b> (A) As used in this section:</u>	604
<u>(1) "Employer" includes a person that is a related member to</u>	605
<u>or of an employer.</u>	606
<u>(2) "Professional athlete" means an athlete who performs</u>	607
<u>services in a professional athletic event for wages or other</u>	608
<u>remuneration.</u>	609
<u>(3) "Professional entertainer" means a person who performs</u>	610
<u>services in the professional performing arts for wages or other</u>	611
<u>remuneration on a per-event basis.</u>	612
<u>(4) "Public figure" means a person of prominence who performs</u>	613
<u>services at discrete events, such as speeches, public appearances,</u>	614
<u>or similar events, for wages or other remuneration on a per-event</u>	615
<u>basis.</u>	616
<u>(5) "Fixed location" means a permanent place of doing</u>	617
<u>business in this state, such as an office, warehouse, storefront,</u>	618
<u>or similar location owned or controlled by an employer.</u>	619
<u>(6) "Worksite location" means a construction site or</u>	620
<u>temporary worksite in this state at which the employer provides</u>	621
<u>services for more than twenty days during the calendar year.</u>	622
<u>"Worksite location" does not include the home of an employee.</u>	623
<u>(7) "Principal place of work" means the fixed location to</u>	624
<u>which an employee is required to report for employment duties on a</u>	625
<u>regular and ordinary basis. If the employee is not required to</u>	626
<u>report for employment duties on a regular and ordinary basis to a</u>	627
<u>fixed location, "principal place of business" means the worksite</u>	628
<u>location to which the employee is required to report for</u>	629
<u>employment duties on a regular and ordinary basis. If the employee</u>	630
<u>is not required to report for employment duties on a regular and</u>	631
<u>ordinary basis to a fixed location or worksite location,</u>	632

<u>"principal place of work"</u> means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer. 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.	633
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(B)(1) Subject to divisions (C) and (E) of this section, 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:	642
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(a) The employee's principal place of work is located in the municipal corporation.	649
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(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.	651
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(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.	655
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(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 the employee spent more time performing services for or on behalf of the employer in that municipal corporation than in any other municipal corporation	659
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<u>on that day. For the purposes of determining the amount of time an employee spent in a particular location, the time spent performing one of more of the following activities shall be considered to have been spent at the employee's principal place of work:</u>	664 665 666 667
<u>(a) Traveling to the location at which the employee will first perform services for the employer for the day;</u>	668 669
<u>(b) Traveling from a location at which the employee was performing services for the employer to any other location;</u>	670 671
<u>(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;</u>	672 673 674 675 676
<u>(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;</u>	677 678 679 680 681
<u>(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.</u>	682 683 684 685
<u>(C) If the principal place of work of an employee is located in a municipal corporation that imposes an income tax in accordance with this chapter, the exception from withholding requirements described in division (B)(1) of this section shall apply only if, with respect to the employee's qualifying wages described in that division, the employer withholds and remits tax on such qualifying wages to the municipal corporation in which the employee's principal place of work is located.</u>	686 687 688 689 690 691 692 693
<u>(D) If, during a calendar year, the number of days an</u>	694

<u>employee spends performing personal services in a municipal corporation exceeds the twenty-day threshold described in division (B)(1) of this section, the employer shall begin withholding tax for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in that municipal corporation.</u>	695 696 697 698 699 700
<u>(E) Divisions (B)(1) and (D) of this section shall not apply to the extent that a tax administrator and an employer enter into an agreement regarding the manner in which the employer shall comply with the requirements of section 718.03 of the Revised Code.</u>	701 702 703 704 705
<u>(F)(1) As used in this division, "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.</u>	706 707 708 709 710 711 712 713
<u>(2) The income that a professional athlete receives for services performed for a professional athletic team shall be sitused 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.</u>	714 715 716 717 718 719 720
<u>(3) For the purposes of division (A)(2) of section 718.02 of the Revised Code, the wages, salaries, and other remuneration paid to a professional athlete for the performance of services for a professional athletic team shall be sitused to a municipal corporation in a manner that is consistent with the method for situsing the professional athlete's income to the municipal</u>	721 722 723 724 725 726

corporation under division (F)(2) of this section. 727

~~Sec. 718.02. This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745. of the Revised Code. This section applies to any taxpayer engaged in a business or profession in a municipal corporation that imposes an income tax in accordance with this chapter, unless the taxpayer is an individual who resides in the municipal corporation or the taxpayer is an electric company, combined company, or telephone company that is subject to and required to file reports under Chapter 5745. of the Revised Code.~~ 728  
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(A) Except as otherwise provided in ~~division (D)~~ divisions 737  
(B) and (G) of this section, net profit from a business or 738  
profession conducted both within and without the boundaries of a 739  
municipal corporation shall be considered as having a taxable 740  
situs in ~~such~~ the municipal corporation for purposes of municipal 741  
income taxation in the same proportion as the average ratio of the 742  
following: 743

(1) The average original cost of the real and tangible 744  
personal property owned or used by the taxpayer in the business or 745  
profession in ~~such~~ the municipal corporation during the taxable 746  
period to the average original cost of all of the real and 747  
tangible personal property owned or used by the taxpayer in the 748  
business or profession during the same period, wherever situated. 749

As used in the preceding paragraph, real and tangible 750  
personal property shall include property rented or leased by the 751  
taxpayer and the value of such property shall be determined by 752  
multiplying the annual rental thereon by eight; 753

(2) Wages, salaries, and other compensation paid during the 754  
taxable period to ~~persons~~ individuals employed in the business or 755  
profession for services performed in ~~such~~ the municipal 756  
corporation to wages, salaries, and other compensation paid during 757

the same period to persons <u>individuals</u> employed in the business or	758
profession, wherever their <u>the individual's</u> services are	759
performed, excluding compensation that is not taxable by the	760
<del>municipal corporation under section 718.011 described in division</del>	761
<u>(C)(15) of section 718.01</u> of the Revised Code;	762
(3) Gross <u>Total gross</u> receipts of the business or profession	763
from sales <u>and rentals</u> made and services performed during the	764
taxable period in such <u>the</u> municipal corporation to <u>total</u> gross	765
receipts of the business or profession during the same period from	766
<u>sales, rentals,</u> and services, wherever made or performed.	767
<del>If the foregoing apportionment formula does not produce an</del>	768
<del>equitable result, another basis may be substituted, under uniform</del>	769
<del>regulations, so as to produce an equitable result.</del>	770
(B) As used in division (A) of this section, "sales made in a	771
<del>municipal corporation" mean:</del>	772
(1) All sales of tangible personal property delivered within	773
<del>such municipal corporation regardless of where title passes if</del>	774
<del>shipped or delivered from a stock of goods within such municipal</del>	775
<del>corporation;</del>	776
(2) All sales of tangible personal property delivered within	777
<del>such municipal corporation regardless of where title passes even</del>	778
<del>though transported from a point outside such municipal corporation</del>	779
<del>if the taxpayer is regularly engaged through its own employees in</del>	780
<del>the solicitation or promotion of sales within such municipal</del>	781
<del>corporation and the sales result from such solicitation or</del>	782
<del>promotion;</del>	783
(3) All sales of tangible personal property shipped from a	784
<del>place within such municipal corporation to purchasers outside such</del>	785
<del>municipal corporation regardless of where title passes if the</del>	786
<del>taxpayer is not, through its own employees, regularly engaged in</del>	787
<del>the solicitation or promotion of sales at the place where delivery</del>	788

<u>is made.</u>	789
<u>(C) Except as otherwise provided in division (D) of this section, net (B)(1) If the apportionment factors described in division (A) of this section do not fairly represent the extent of a taxpayer's business activity in a municipal corporation, the tax administrator of the municipal corporation may require or allow the taxpayer to use, with respect to all or any portion of the income of the taxpayer, an alternative apportionment method involving one or more of the following:</u>	790
<u>(a) Separate accounting;</u>	798
<u>(b) The exclusion of one or more of the factors;</u>	799
<u>(c) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation;</u>	800
<u>(d) A modification of one or more of the factors.</u>	803
<u>(2) A taxpayer may request to use an alternative apportionment method under this division by submitting a request to the tax administrator. The request shall be in writing.</u>	804
<u>A taxpayer may not use an alternative apportionment method on the taxpayer's tax return without the prior approval of the tax administrator. A taxpayer may use an alternative apportionment method on a timely filed amended tax return or in a timely filed appeal of an assessment without the prior approval of the tax commissioner; in such a case, the taxpayer shall file the request to use the alternative method with the amended return or the appeal. If approved, the alternative method shall apply only to the taxable years included in the taxpayer's request unless the tax administrator provides otherwise in writing. If the tax administrator denies a request filed with an amended tax return under this section, the taxpayer may appeal the denial in the same manner prescribed for the appeal of an assessment under section</u>	807
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<u>718.18 of the Revised Code.</u>	820
<u>(3) Nothing in this section prohibits a taxpayer that requests the use of an alternative method in one or more taxable years from requesting the use of an alternative method in any other taxable year. The approval or denial of a taxpayer's request to use an alternative method in one taxable year shall not limit the authority of the tax administrator to approve or deny requests from the same taxpayer with respect to other taxable years.</u>	821 822 823 824 825 826 827
<u>(C) As used in division (A)(2) of this section, "wages, salaries, and other compensation" includes only wages, salaries, or other compensation paid to an employee for services performed at any of the following locations:</u>	828 829 830 831
<u>(1) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following:</u>	832 833
<u>(a) The employer;</u>	834
<u>(b) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient;</u>	835 836 837
<u>(c) A vendor, customer, client, or patient of a person described in division (C)(1)(b) of this section, or a related member of such a vendor, customer, client, or patient.</u>	838 839 840
<u>(2) Any location at which a trial, appeal, hearing, investigation, inquiry, review, court-martial, or similar administrative, judicial, or legislative matter or proceeding is being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer;</u>	841 842 843 844 845 846 847
<u>(3) Any other location, if the tax administrator determines that the employer directed the employee to perform the services at</u>	848 849

<u>the other location in lieu of a location described in division</u>	850
<u>(C)(1) or (2) of this section solely in order to avoid or reduce</u>	851
<u>the employer's municipal income tax liability. If a tax</u>	852
<u>administrator makes such a determination, the employer may dispute</u>	853
<u>the determination by establishing, by a preponderance of the</u>	854
<u>evidence, that the tax administrator's determination was</u>	855
<u>unreasonable.</u>	856
<u>(D) For the purposes of division (A)(3) of this section,</u>	857
<u>receipts from sales and rentals made and services performed shall</u>	858
<u>be sitused to a municipal corporation as follows:</u>	859
<u>(1) Gross receipts from the sale of tangible personal</u>	860
<u>property shall be sitused to the municipal corporation if the</u>	861
<u>property is received in the municipal corporation by the</u>	862
<u>purchaser. In the case of delivery of tangible personal property</u>	863
<u>by common carrier or by other means of transportation, the place</u>	864
<u>at which title to such property is transferred to the buyer shall</u>	865
<u>be considered the place where the purchaser receives the property.</u>	866
<u>(2) Gross receipts from the sale of services shall be sitused</u>	867
<u>to the municipal corporation to the extent that such services are</u>	868
<u>performed in the municipal corporation.</u>	869
<u>(3) To the extent included in income, gross receipts from the</u>	870
<u>sale of real property located in the municipal corporation shall</u>	871
<u>be sitused to the municipal corporation.</u>	872
<u>(4) To the extent included in income, gross receipts from</u>	873
<u>rents and royalties from real property located in the municipal</u>	874
<u>corporation shall be sitused to the municipal corporation.</u>	875
<u>(5) Gross receipts from rents and royalties from tangible</u>	876
<u>personal property shall be sitused to the municipal corporation</u>	877
<u>based upon the extent to which the tangible personal property is</u>	878
<u>used in the municipal corporation.</u>	879
<u>(E) Net profit from rental activity not constituting a</u>	880

business or profession shall be subject to tax only by the 881  
municipal corporation in which the property generating the net 882  
profit is located. 883

(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.~~ 884  
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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.~~ 890  
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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.~~ 905  
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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 requests to 909  
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<u>make 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 in every municipal corporation that approves such a request for at least five consecutive taxable years after making the election.</u>	913 914 915 916 917 918
<u>(F) Net profit relating to the sales and commissions of a real estate agent or broker shall be sitused to a municipal corporation based upon the ratio of the commissions the agent or broker received from sales of real estate located in the municipal corporation to the commissions received from sales of real estate everywhere in the taxable year.</u>	919 920 921 922 923 924
<u>(G) Items of income described in division (B)(4) of section 718.01 of the Revised Code that are received by a person who is not conducting a trade or business and whose primary activity is generating such income shall be sitused to the municipal corporation in which the person resides at the time the person receives such income, if the taxpayer is an individual, and to the municipal corporation in which the person receives such income.</u>	925 926 927 928 929 930 931
<u>(H) When calculating the ratios described in division (A) of this section for the purposes of that division or division (B) of this section, the owner of a person that is a disregarded entity for federal income tax purposes shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.</u>	932 933 934 935 936 937
<b>Sec. 718.03. (A) As used in this section:</b>	938
<u>(1) "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.</u>	939 940 941 942

(2) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	943
(a) Deduct the following amounts:	946
(i) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code;	947
(ii) For purposes of division (B) of this section, any amount included in wages if the amount constitutes payment on account of sickness or accident disability.	950
(b) Add the following amounts:	953
(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;	954
(ii) Any amount not included in wages because 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 not, by resolution or ordinance, exempted the amount from withholding and tax. Division (A)(2)(b)(ii) of this section applies only to those amounts constituting ordinary income.	956
(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.	964
(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.	968
(e) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of	971
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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.	973 974 975
(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.	976 977 978 979 980 981
(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.	982 983 984 985 986 987
(e) 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 multiplied by the applicable rate of the municipal corporation's income tax, except for qualifying wages for which withholding is not required under division (D) or (F) of this section or section 718.011 of the Revised Code. An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.	988 989 990 991 992 993 994 995 996 997 998 999 1000 1001
An employer, agent of an employer, or other payer may deduct and withhold, on the request of an employee, taxes for the municipal corporation in which the employee is a resident.	1002 1003 1004

(B) An employer, agent of an employer, or other payer shall remit to the tax administrator of a municipal corporation the creator of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:	1005 1006 1007 1008 1009
(1) Taxes deducted and withheld shall be remitted semimonthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the municipal corporation in the preceding calendar year exceeded eleven thousand nine hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar quarter exceeded one thousand dollars. Payment under division (B)(1) of this section shall be made so that the payment is received by the tax administrator not later than one of the following:	1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021
(a) If the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month, the third banking day after the fifteenth day of that month;	1022 1023 1024
(b) If the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of that month.	1025 1026 1027 1028
(2) If not required to be remitted in accordance with division (B)(1) of this section, taxes required to be deducted and withheld shall be remitted monthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the municipal corporation in the preceding calendar year did not exceed eleven thousand nine hundred ninety-nine dollars but did exceed two thousand three hundred ninety-nine dollars, or if the	1029 1030 1031 1032 1033 1034 1035 1036

<u>total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar quarter did not exceed one thousand dollars, but exceeded two hundred dollars. Payment under division (B)(2) of this section shall be made so that the payment is received by the tax administrator not later than fifteen days after the last day of each month.</u>	1037
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<u>(3) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1) or (2) of this section of taxes required to be deducted and withheld shall make quarterly payments to the tax administrator not later than the last day of the month following the end of the last day of each calendar quarter.</u>	1044
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<u>(C) An employer, agent of an employer, or other payer shall make and file a return on forms prescribed by the municipal tax policy board pursuant to section 718.42 of the Revised Code, showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the tax administrator. Unless the tax administrator requires all individual taxpayers to file a tax return under section 718.05 of the Revised Code, a return filed by an employer, agent, or other payer under this division shall be accepted by a tax administrator and municipal corporation as the return required of an employee whose sole income subject to the tax under this chapter is the qualifying wages reported by the employee's employer, agent of an employer, or other payer.</u>	1050
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<u>(D) An employer, agent of an employer, or other payer is not required to make any withholding withhold municipal income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of either the corporation with respect to whose stock the option has been issued</u>	1063
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<u>or of such corporation's successor entity.</u>	1069
<u>(D)(E)(1) An employee is not relieved from liability for a tax by the failure of the employer, agent of an employer, or other payer to withhold the tax as required by a municipal corporation under this chapter or by the employer's, agent's, or other payer's exemption from the requirement to withhold the tax.</u>	1070 1071 1072 1073 1074
<u>(2) The failure of an employer, agent of an employer, or other payer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer, agent, or other payer in connection with the failure to remit the tax withheld.</u>	1075 1076 1077 1078 1079
<u>(E)(F) Compensation deferred before June 26, 2003, is not subject to any municipal corporation income tax or municipal income tax withholding requirement to the extent the deferred compensation does not constitute qualifying wages at the time the deferred compensation is paid or distributed.</u>	1080 1081 1082 1083 1084
<u>(F) A municipal corporation may require a casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state to withhold and remit tax with respect to amounts other than qualifying wages.</u>	1085 1086 1087 1088 1089 1090
<u>(G) Each employer, agent of an employer, or other payer required to withhold taxes is liable for the payment of that amount required to be withheld, whether or not such taxes have been withheld, and such amount shall be deemed to be held in trust for the municipal corporation until such time as the withheld amount is remitted to the tax administrator.</u>	1091 1092 1093 1094 1095 1096
<u>(H) On or before the twenty-eighth day of February of each year, an employer shall file a withholding return with the tax administrator listing the names, addresses, and social security</u>	1097 1098 1099

<u>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.</u>	1100 1101 1102 1103 1104 1105
<u>(I) 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.</u>	1106 1107 1108 1109 1110 1111 1112 1113 1114 1115
<u>(J) An employer is required to deduct and withhold municipal income tax on tips and gratuities received by the employer's employees and constituting qualifying wages only to the extent that the tips and gratuities are under the employer's control. For the purposes of this division, a tip or gratuity is under the employer's control if the tip or gratuity is paid by the customer to the employer for subsequent remittance to the employee, or if the customer pays the tip or gratuity by credit card, debit card, or other electronic means.</u>	1116 1117 1118 1119 1120 1121 1122 1123 1124
<u>Sec. 718.031. (A) A municipal corporation shall require a casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state to withhold and remit municipal income tax with respect to amounts</u>	1125 1126 1127 1128 1129 1130

<u>other than qualifying wages as provided in this section.</u>	1131
<u>(B)(1) If a person's winnings at a casino facility are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the casino operator shall deduct and withhold municipal income tax from the person's winnings at the rate of the tax imposed by the municipal corporation in which the casino facility is located.</u>	1132 1133 1134 1135 1136 1137 1138
<u>(C) Amounts deducted and withheld by a casino operator are held in trust for the benefit of the municipal corporation to which the tax is owed.</u>	1139 1140 1141
<u>(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax administrator of the municipal corporation, identifying the person from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax administrator. With this return, the casino operator shall remit electronically to the municipal corporation all amounts deducted and withheld during the preceding month.</u>	1142 1143 1144 1145 1146 1147 1148 1149 1150 1151 1152
<u>(2) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax administrator of the municipal corporation in which the casino facility is located, indicating the total amount deducted and withheld during the preceding calendar year. The casino operator shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly</u>	1153 1154 1155 1156 1157 1158 1159 1160 1161

<u>return for that reporting period, that information shall be indicated on the annual return.</u>	1162 1163
<u>(3) Annually, on or before the thirty-first day of January, a casino operator shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted from the person's winnings during the preceding year. The casino operator shall provide to the tax administrator a copy of each information return issued under this division. The administrator may require that such copies be transmitted electronically.</u>	1164 1165 1166 1167 1168 1169 1170 1171 1172
<u>(4) A casino operator that fails to file a return and remit the amounts deducted and withheld shall be personally liable for the amount withheld and not remitted. Such personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.</u>	1173 1174 1175 1176 1177
<u>(5) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld along with any penalties and interest thereon until the predecessor casino operator produces either of the following:</u>	1178 1179 1180 1181 1182 1183 1184 1185
<u>(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;</u>	1186 1187 1188
<u>(b) A certificate from the tax administrator indicating that no amounts are due.</u>	1189 1190
<u>If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts</u>	1191 1192

<u>deducted and withheld and penalties and interest thereon.</u>	1193
<u>(6) The failure of a casino operator to deduct and withhold the required amount from a person's winnings does not relieve that person from liability for the municipal income tax with respect to those winnings.</u>	1194 1195 1196 1197
<u>(D) If a person's prize award from a video lottery terminal is an amount for which reporting to the internal revenue service is required by section 6041 of the Internal Revenue Code, as amended, the video lottery sales agent shall deduct and withhold municipal income tax from the person's prize award at the rate of the tax imposed by the municipal corporation in which the video lottery terminal facility is located.</u>	1198 1199 1200 1201 1202 1203 1204
<u>(E) Amounts deducted and withheld by a video lottery sales agent are held in trust for the benefit of the municipal corporation to which the tax is owed.</u>	1205 1206 1207
<u>(1) The video lottery sales agent shall issue to a person from whose prize award an amount has been deducted and withheld a receipt for the amount deducted and withheld, and shall obtain from the person receiving a prize award the person's name, address, and social security number in order to facilitate the preparation of returns required by this section.</u>	1208 1209 1210 1211 1212 1213
<u>(2) On or before the tenth day of each month, the video lottery sales agent shall file a return electronically with the tax administrator of the municipal corporation identifying the persons from whose prize awards amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the prize award from which each such amount was withheld, and any other information required by the tax administrator. With the return, the video lottery sales agent shall remit electronically to the tax administrator all amounts deducted and withheld during the</u>	1214 1215 1216 1217 1218 1219 1220 1221 1222 1223

<u>preceding month.</u>	1224
(3) A video lottery sales agent shall maintain a record of all receipts issued under division (E) of this section and shall make those records available to the tax administrator upon request. Such records shall be maintained in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.	1225 1226 1227 1228 1229 1230
(4) Annually, on or before the thirty-first day of January, each video lottery terminal sales agent shall file an annual return electronically with the tax administrator of the municipal corporation in which the facility is located indicating the total amount deducted and withheld during the preceding calendar year. The video lottery sales agent shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return for that reporting period, that information shall be indicated on the annual return.	1231 1232 1233 1234 1235 1236 1237 1238 1239 1240 1241
(5) Annually, on or before the thirty-first day of January, a video lottery sales agent shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted and withheld from the person's prize award by the video lottery sales agent during the preceding year. A video lottery sales agent shall provide to the tax administrator of the municipal corporation a copy of each information return issued under this division. The tax administrator may require that such copies be transmitted electronically.	1242 1243 1244 1245 1246 1247 1248 1249 1250 1251 1252
(6) A video lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. Such	1253 1254 1255

<u>personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.</u>	1256 1257 1258
<u>(F) If a video lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor of the video lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount from the purchase money that is sufficient to cover the amounts deducted and withheld and any penalties and interest thereon until the predecessor video lottery sales agent operator produces either of the following:</u>	1259 1260 1261 1262 1263 1264 1265 1266 1267
<u>(1) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;</u>	1268 1269 1270
<u>(2) A certificate from the tax administrator indicating that no amounts are due.</u>	1271 1272
<u>If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon.</u>	1273 1274 1275
<u>(G) The failure of a video lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve that person from liability for the municipal income tax with respect to that prize award.</u>	1276 1277 1278 1279
<u>(H) The tax administrator of a municipal corporation may impose a penalty of up to one thousand dollars if a casino operator or video lottery sales agent files a return late, fails to file a return, remits amounts deducted and withheld late, or fails to remit amounts deducted and withheld as required under this section. Interest shall accrue on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the</u>	1280 1281 1282 1283 1284 1285 1286

<u>Revised Code.</u>	1287
(I) <u>Amounts deducted and withheld on behalf of a municipal corporation shall be allowed as a credit against payment of the tax imposed by the municipal corporation and shall be treated as taxes paid for purposes of section 718.08 of the Revised Code. This division applies only to the person for whom the amount is deducted and withheld.</u>	1288 1289 1290 1291 1292 1293
(J) <u>The tax administrator shall prescribe the forms of the receipts and returns required under this section.</u>	1294 1295
 <b><u>Sec. 718.04.</u></b> (A) <u>A municipal corporation may levy a tax on income only in accordance with the limitations specified in this chapter. On or after January 1, 2015, no municipal corporation shall levy such a tax unless the ordinance or resolution levying the tax, as adopted or amended by the legislative authority of the municipal corporation, includes all of the following:</u>	1296 1297 1298 1299 1300 1301
(1) <u>A statement that the tax is an annual tax levied on the income of every person residing in or earning or receiving income in the municipal corporation and that the tax shall be measured by municipal taxable income;</u>	1302 1303 1304 1305
(2) <u>A statement that the municipal corporation is levying the tax in accordance with the limitations specified in this chapter and that the resolution or ordinance thereby incorporates, by reference, the provisions of this chapter;</u>	1306 1307 1308 1309
(3) <u>The rate of the tax;</u>	1310
(4) <u>Whether, and the extent to which, a credit will be allowed against the tax as described in division (E) of this section;</u>	1311 1312 1313
(5) <u>The purpose or purposes of the tax;</u>	1314
(6) <u>Any other provision necessary for the administration of the tax, provided that the provision does not conflict with any</u>	1315 1316

<u>provision of this chapter or any rule adopted by the municipal tax policy board pursuant to this chapter.</u>	1317
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<u>(B) Before January 1, 2015, the legislative authority of each municipal corporation that levies a municipal income tax that would otherwise be in effect on that date shall take one of the following actions:</u>	1319
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<u>(1) Repeal the ordinance or resolution that levies the tax;</u>	1323
<u>(2) Amend the ordinance or resolution that levies the tax to include the provisions described in division (A) of this section and to otherwise comply with the limitations specified in this chapter.</u>	1324
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<u>Any municipal income tax ordinance or resolution that is not repealed or amended as provided in this division before January 1, 2015, shall be considered to be repealed on December 31, 2014, and the municipal corporation that adopted the ordinance or resolution shall not enforce the ordinance or resolution after that date.</u>	1328
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<u>(C) Any municipal corporation that, on or before the effective date of the enactment of this section, levies an income tax at a rate in excess of one per cent and that amends the ordinance or resolution levying the tax as provided in division (B)(2) of this section may continue to levy the tax at the rate specified in the original resolution, provided that such rate continues in effect only for the taxable years specified in the original ordinance or resolution. Any such municipal corporation that repeals an ordinance or resolution as provided in division (B)(1) of this section may, notwithstanding division (D)(2) of this section, enact a new ordinance or resolution under division (A) of this section that levies a tax at the same rate specified in the repealed ordinance or resolution, provided that the tax is levied at such rate only for the taxable years specified in the repealed ordinance or resolution and that the municipal</u>	1333
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<u>corporation adopts the new ordinance or resolution on or before December 31, 2015.</u>	1348				
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<u>(D)(1) No municipal corporation shall tax income at other than a uniform rate.</u>	1350				
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<u>(2) Except as provided in division (C) of this section, no municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a general, primary, or special election. The legislative authority of the municipal corporation shall file with the board of elections at least ninety days before the day of the election a copy of the ordinance together with a resolution specifying the date the election is to be held and directing the board of elections to conduct the election. The ballot shall be in the following form: "Shall the Ordinance providing for a ... per cent levy on income for (Brief description of the purpose of the proposed levy) be passed?</u>	1352				
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<u>In the event of an affirmative vote, the proceeds of the levy may be used only for the specified purpose.</u>	1369				
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<u>(E) A municipal corporation may, by ordinance or resolution, grant a credit to residents of the municipal corporation for all or a portion of the taxes the resident paid to other municipal corporations, in this state or elsewhere, on income the resident earned or received in the other municipal corporations.</u>	1371				
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<u>(F) Except as otherwise provided in this chapter, a municipal corporation that levies an income tax in effect for taxable years beginning before January 1, 2015, may continue to administer and</u>	1376				
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<u>enforce the provisions of such tax for all taxable years beginning before January 1, 2015, provided that the provisions of such tax are consistent with this chapter as it existed prior to the effective date of the enactment of this section.</u>	1379 1380 1381 1382
<u>(G) Nothing in this chapter authorizes a municipal corporation to levy a tax on income or net profit, or to administer or collect such a tax or penalties or interest related to such a tax, contrary to the limitations specified in this chapter.</u>	1383 1384 1385 1386 1387
<u><b>Sec. 718.05.</b> An annual return with respect to the income tax levied by a municipal corporation shall be completed and filed by every taxpayer for any taxable year for which the taxpayer is liable for the tax. If the total credit allowed against the tax as described in division (E) of section 718.04 of the Revised Code for the year is equal to or exceeds the tax imposed by the municipal corporation, no return shall be required unless the municipal ordinance or resolution levying the tax requires the filing of a return in such circumstances.</u>	1388 1389 1390 1391 1392 1393 1394 1395 1396
<u>(A) If an individual is deceased, any return or notice required of that individual shall be completed and filed by that decedent's executor, administrator, or other person charged with the property of that decedent.</u>	1397 1398 1399 1400
<u>(B) If an individual is unable to complete and file a return or notice required by a municipal corporation in accordance with this chapter, the return or notice required of that individual shall be completed and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual.</u>	1401 1402 1403 1404 1405 1406
<u>(C) Returns or notices required of an estate or a trust shall be completed and filed by the fiduciary of the estate or trust.</u>	1407 1408

<u>(D) No municipal corporation shall deny spouses the ability to file a joint return.</u>	1409 1410
<u>(E) Each return required to be filed under this section shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer, and shall include the taxpayer's social security number or taxpayer identification number. Each return shall be verified by a declaration under the penalties of perjury in accordance with division (H) of section 718.42 of the Revised Code.</u>	1411 1412 1413 1414 1415 1416 1417
<u>(F)(1) Except as otherwise provided in this chapter, each return required to be filed under this section shall be completed and filed as required by the tax administrator on or before the date prescribed for the filing of state individual income tax returns and notices under division (G) of section 5747.08 of the Revised Code. The taxpayer shall complete and file the return or notice on forms prescribed by the municipal tax policy board or on generic forms, together with remittance made payable to the municipal corporation or tax administrator. No remittance is required if the amount shown to be due is five dollars or less.</u>	1418 1419 1420 1421 1422 1423 1424 1425 1426 1427
<u>(2) Any taxpayer that is subject to a municipal corporation's income tax and that has received an extension to file a 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 that relates to the same tax period to which the federal extension relates until the due date to which the filing of the federal return has been extended. An extension of time to file under this division is not an extension of the time to pay any tax due. Upon the filing of the municipal income tax return, the taxpayer shall include a copy of the request for the federal filing extension.</u>	1428 1429 1430 1431 1432 1433 1434 1435 1436 1437 1438
<u>(3) If a taxpayer does not request and obtain a federal extension as described in division (F)(2) of this section, the</u>	1439 1440

<u>taxpayer may request an extension of time to file a municipal income tax return by filing the request through the Ohio business gateway or directly with the tax administrator of the municipal corporation with which the return is required to be filed.</u>	1441
<u>Upon good cause shown, the tax administrator may extend the period for filing any notice or return.</u>	1445
<u>(4) In order to facilitate the filing of extension requests, the tax commissioner and the Ohio business gateway steering committee shall take all steps necessary to provide taxpayers with the ability to file such requests through the Ohio business gateway and to notify tax administrators when such requests are filed.</u>	1447
<u>(5) If the tax administrator considers it necessary in order to ensure the payment of the tax imposed by the municipal corporation in accordance with this chapter, the tax administrator may require taxpayers to file returns and make payments otherwise than as provided in this section, including taxpayers not otherwise required to file annual returns.</u>	1453
<u>(6) To the extent that any provision in this division conflicts with any provision in section 718.052 of the Revised Code, the provision in that section prevails.</u>	1459
<u>(G)(1) For taxable years beginning after 2014, a municipal corporation shall not require a taxpayer to file a return or remit tax with respect to net profits if divisions (G)(1)(a), (b), and (c) apply:</u>	1462
<u>(a) The average ratio computed under section 718.02 of the Revised Code for the purposes of apportioning the taxpayer's net profit to the municipal corporation for the taxable year is less than one per cent;</u>	1466
<u>(b) If not for the application of division (G) of this section, the amount of tax the taxpayer would owe to the municipal</u>	1470
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<u>corporation on the taxpayer's net profit for the taxable year is less than fifty dollars;</u>	1472 1473
<u>(c) The total amount of qualifying wages the taxpayer paid to employees for services performed within the municipal corporation during the taxable year is less than fifty thousand dollars.</u>	1474 1475 1476
<u>(2) Any taxpayer not required to file a tax return with or remit tax to a municipal corporation for a taxable year pursuant to division (G)(1) of this section shall file with the municipal corporation an affidavit exemption form. The municipal tax policy board shall prescribe the form and contents of the affidavit exemption form. No taxpayer shall be required to file an affidavit exemption form pursuant to this division until the municipal tax policy board prescribes the form.</u>	1477 1478 1479 1480 1481 1482 1483 1484
<u>(H) This division shall not apply to payments required to be made under division (B)(1) or (2) of section 718.03 of the Revised Code.</u>	1485 1486 1487
<u>If any report, claim, statement, or other document required to be filed, or any payment required to be made, within a prescribed period or on or before a prescribed date under this chapter is delivered after that period or that date by United States mail to the tax administrator or other municipal official with which the report, claim, statement, or other document is required to be filed, or to which the payment is required to be made, the date of the postmark stamped on the cover in which the report, claim, statement, or other document, or payment is mailed shall be deemed to be the date of delivery or the date of payment.</u>	1488 1489 1490 1491 1492 1493 1494 1495 1496 1497
<u>If a payment is required to be made by electronic funds transfer, the payment is considered to be made when the payment is credited to an account designated by the tax administrator for the receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not</u>	1498 1499 1500 1501 1502

<u>under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment.</u>	1503
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<u>"The date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.</u>	1505
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<u>(I) The amounts withheld by an employer, the agent of an employer, or an other payer as described in section 718.03 of the Revised Code shall be allowed to the recipient of the compensation as credits against payment of the tax imposed on the recipient by the municipal corporation, unless the amounts withheld were not remitted to the municipal corporation and the recipient colluded with the employer, agent, or other payer in connection with the failure to remit the amounts withheld.</u>	1508
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<u>(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 another person, including a tax return 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 or other person concerning questions that arise during the auditing or other review of the return and authorizes the preparer or other person only to provide the tax administrator with information that is missing from the return, to contact the tax administrator for information about the auditing or other review 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 or other person.</u>	1516
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<u>(K) The tax administrator of a municipal corporation shall</u>	1534

<u>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 tax 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.</u>	1535 1536 1537 1538 1539 1540 1541 1542 1543
<u>(L) When income tax returns, reports, or other documents require the signature of a tax return preparer, the tax administrator shall accept a facsimile of such a signature in lieu of a manual signature.</u>	1544 1545 1546 1547
<b>Sec. 718.051.</b> (A) <u>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.</u>	1548 1549 1550 1551 1552 1553
<u>(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</u>	1554 1555 1556 1557 1558 1559 1560 1561 1562 1563 1564 1565

<del>time to pay any tax due.</del>	1566
<del>(C) For taxable years beginning on or after January 1, 2005,</del>	1567
<del>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.</del>	1568
<del>(D)(1) As used in this division, "qualifying wages" has the same meaning as in section 718.03 of the Revised Code.</del>	1569
<del>(2)(B) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying wages paid on or after January 1, 2007, and may make remittance of such amounts, by using the Ohio business gateway.</del>	1570
<del>(E)(C) Nothing in this section affects the due dates for filing employer withholding tax returns.</del>	1571
<del>(F)(D) No municipal corporation shall be required to pay any fee or charge for the operation or maintenance of the Ohio business gateway.</del>	1572
<del>(G)(E) The use of the Ohio business gateway by municipal corporations, taxpayers, or other persons pursuant to this section does not affect the legal rights of municipalities or taxpayers as otherwise permitted by law. This state shall not be a party to the administration of municipal income taxes or to an appeal of a municipal income tax matter, except as otherwise specifically provided by law.</del>	1573
<del>(H)(F)(1) The tax commissioner shall adopt rules establishing:</del>	1574
<del>(a) The format of documents to be used by taxpayers to file returns and make payments through the Ohio business gateway; and</del>	1575

(b) The information taxpayers must submit when filing municipal income tax returns through the Ohio business gateway.	1596 1597
(2) The commissioner shall consult with the Ohio business gateway steering committee before adopting the rules described in division <del>(H)(F)</del> (1) of this section.	1598 1599 1600
<del>(I)(G)</del> Nothing in this section shall be construed as limiting or removing the <del>ability authority</del> of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.	1601 1602 1603 1604
<u>(H) Upon the request of a tax administrator, the tax commissioner shall provide to the tax administrator any municipal income tax data the commissioner has acquired under Chapter 5745. of the Revised Code.</u>	1605 1606 1607 1608
<u><b>Sec. 718.052.</b> (A) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an act of the congress of the United States, and each civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces, may apply to the tax administrator of a municipal corporation for both an extension of time for filing of the return and an extension of time for payment of taxes required by the municipal corporation in accordance with this chapter during the period of the member's or civilian's duty service and for one hundred eighty days thereafter. The application shall be filed on or before the one hundred eightieth day after the member's or civilian's duty terminates. An applicant shall provide such evidence as the tax administrator considers necessary to demonstrate eligibility for the extension.</u>	1609 1610 1611 1612 1613 1614 1615 1616 1617 1618 1619 1620 1621 1622 1623 1624
<u>(B)(1) If the tax administrator ascertains that an applicant is qualified for an extension under this section, the tax</u>	1625 1626

administrator shall enter into a contract with the applicant for 1627  
the payment of the tax in installments that begin on the one 1628  
hundred eighty-first day after the applicant's active duty or 1629  
service terminates. Except as provided in division (B)(3) of this 1630  
section, the tax administrator may prescribe such contract terms 1631  
as the tax administrator considers appropriate. If the amount owed 1632  
is two thousand four hundred dollars or less, the contract shall 1633  
be for not longer than twelve months. If the amount owed is more 1634  
than two thousand four hundred dollars, the contract shall be for 1635  
not longer than twenty-four months. 1636

(2) If the tax administrator ascertains that an applicant is 1637  
qualified for an extension under this section, the applicant shall 1638  
neither be required to file any return, report, or other tax 1639  
document nor be required to pay any tax otherwise due to the 1640  
municipal corporation before the one hundred eighty-first day 1641  
after the applicant's active duty or service terminates. 1642

(3) Taxes paid pursuant to a contract entered into under 1643  
division (B)(1) of this section are not delinquent. The tax 1644  
administrator shall not require any payments of penalties, 1645  
interest penalties, or interest in connection with those taxes for 1646  
the extension period. 1647

(C)(1) Nothing in this division denies to any person 1648  
described in this division the application of divisions (A) and 1649  
(B) of this section. 1650

(2)(a) A qualifying taxpayer who is eligible for an extension 1651  
under the Internal Revenue Code shall receive both an extension of 1652  
time in which to file any return, report, or other tax document 1653  
and an extension of time in which to make any payment of taxes 1654  
required by a municipal corporation in accordance with this 1655  
chapter. The length of any extension granted under division 1656  
(C)(2)(a) of this section shall be equal to the length of the 1657  
corresponding extension that the taxpayer receives under the 1658

<u>Internal Revenue Code. As used in this section, "qualifying taxpayer"</u>	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.	1659 1660 1661 1662 1663 1664
<u>(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. 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.</u>	1665 1666 1667 1668 1669 1670 1671 1672 1673 1674	
<u>(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 spouse of that taxpayer if the filing status of the spouse and the taxpayer is married filing jointly for that year.</u>	1675 1676 1677 1678 1679	
<u><b>Sec. 718.06. (A) As used in this section:</b></u>	1680	
<u>(1) "Consolidated federal income tax return"</u> means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.	1681 1682 1683	
<u>(2) "Consolidated federal taxable income"</u> means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions.	1684 1685 1686 1687 1688	

(B) For taxable years beginning on or after January 1, 2015,	1689
a taxpayer that is a member of an affiliated group of corporations	1690
may elect to file a consolidated municipal income tax return for a	1691
taxable year if at least one member of the affiliated group is	1692
subject to the municipal income tax in that taxable year and if	1693
the affiliated group filed a consolidated federal income tax	1694
return with respect to that taxable year.	1695
(C) A taxpayer shall prepare a consolidated municipal income	1696
tax return in the same manner as is required under the United	1697
States department of treasury regulations that prescribe	1698
procedures for the preparation of the consolidated federal income	1699
tax return required to be filed by the common parent of the	1700
affiliated group of which the taxpayer is a member.	1701
(D)(1) Except as otherwise provided in divisions (D)(2) and	1702
(3) of this section, corporations that elect to file a	1703
consolidated municipal income tax return shall compute adjusted	1704
federal taxable income, as defined in section 718.01 of the	1705
Revised Code, by substituting "consolidated federal taxable	1706
income" for "federal taxable income" wherever "federal taxable	1707
income" appears in that division and by substituting "an	1708
affiliated group of corporation's" for "a C corporation's"	1709
wherever "a C corporation's" appears in that division.	1710
(2) No corporation electing to file a consolidated municipal	1711
income tax return shall make any adjustment otherwise required	1712
under division (E) of section 718.01 of the Revised Code to the	1713
extent that the item of income or deduction otherwise subject to	1714
the adjustment has been eliminated or consolidated in the	1715
computation of consolidated federal taxable income.	1716
(3) If eighty per cent or more of the net profit or loss of a	1717
pass-through entity is included in an affiliated group's	1718
consolidated federal taxable income, both of the following shall	1719
apply:	1720

<u>(a) The pass-through entity shall not be required to collect and remit the tax described in section 718.43 of the Revised Code on the portion of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.</u>	1721 1722 1723 1724
<u>(b) For the purposes of making the computations required under section 718.02 of the Revised Code, the property, payroll, and gross receipts of the pass-through entity shall be included in the calculation of the affiliated group's net profit sitused to a municipal corporation.</u>	1725 1726 1727 1728 1729
<u>(4) If less than eighty per cent of the net profit or loss of a pass-through entity is included in an affiliated group's consolidated federal taxable income, all of the following shall apply:</u>	1730 1731 1732 1733
<u>(a) The pass-through entity is required to collect and remit the tax described in section 718.43 of the Revised Code on the portion of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.</u>	1734 1735 1736 1737
<u>(b) For the purposes of making the computations required under section 718.02 of the Revised Code, the property, payroll, and gross receipts of the pass-through entity shall not be included in the calculation of the affiliated group's net profit sitused to a municipal corporation.</u>	1738 1739 1740 1741 1742
<u>(c) The affiliated group shall deduct from the group's consolidated federal taxable income any portion of the net profit of the pass-through entity that is included in the consolidated federal taxable income of affiliated group.</u>	1743 1744 1745 1746
<u>(d) The affiliated group shall add back to the group's consolidated federal taxable income any amount of loss incurred by the pass-through entity that is included in the consolidated federal taxable income of affiliated group.</u>	1747 1748 1749 1750
<u>(E) Corporations electing to file a consolidated municipal</u>	1751

<u>income tax return shall make the computations required under section 718.02 of the Revised Code by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.</u>	1752
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<u>(F) Each corporation electing to file a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.</u>	1758
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<u>(G) Once a taxpayer has elected to file a consolidated municipal income tax return, or once a tax administrator has required the taxpayer to file such a return, for any taxable year, the taxpayer shall continue to file consolidated municipal income tax returns in each subsequent taxable year unless the taxpayer receives written permission from the tax administrator to file a separate return for a taxable year.</u>	1765
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<u>(H) Corporations that made an election with a municipal corporation before January 1, 2015, to file a consolidated tax return with such municipal corporation in a manner similar to that provided in division (B) of this section shall continue to file consolidated tax returns in such manner unless the corporations obtain permission from the tax administrator to discontinue such filing.</u>	1772
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<u>Sec. 718.07. On and after January 1, 2002, each The tax administrator of a municipal corporation that imposes a tax on income in accordance with this chapter shall make electronic versions of any rules or ordinances governing the tax available to</u>	1779
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the public through the internet, including, but not limited to, 1783  
ordinances or rules governing the rate of tax; payment and 1784  
withholding of taxes; filing any prescribed returns, reports, or 1785  
other documents; dates for filing or paying taxes, including 1786  
estimated taxes; penalties, interest, assessment, and other 1787  
collection remedies; rights of taxpayers to appeal; and procedures 1788  
for filing appeals. ~~On and after that date, any municipal~~ 1789  
~~corporation that requires taxpayers to file income tax returns,~~ 1790  
~~reports, or other documents~~ The tax administrator shall make 1791  
blanks of such any prescribed returns, reports, or documents, and 1792  
any instructions pertaining thereto, available to the public 1793  
electronically through the internet. Electronic versions of rules, 1794  
ordinances, blanks, and instructions shall be made available 1795  
~~either~~ by posting them on the electronic site established by the 1796  
tax commissioner under section 5703.49 of the Revised Code ~~or and,~~ 1797  
if the municipal corporation or tax administrator maintains an 1798  
electronic site for the posting of such documents that is 1799  
accessible through the internet, by posting them on ~~an~~ that 1800  
~~electronic site established by the municipal corporation that is~~ 1801  
~~accessible through the internet.~~ If a municipal corporation or tax 1802  
administrator establishes such an electronic site, the municipal 1803  
corporation shall incorporate an electronic link between that site 1804  
and the site established pursuant to section 5703.49 of the 1805  
Revised Code, and shall provide to the tax commissioner the 1806  
uniform resource locator of the site established pursuant to this 1807  
division. 1808

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

- (1) "Estimated taxes" means the amount that the taxpayer 1810  
reasonably estimates to be the taxpayer's tax liability for a 1811  
municipal corporation's income tax for the current taxable year. 1812
- (2) "Tax liability" means the total taxes due for the taxable 1813

<u>year, after allowing any credit to which the taxpayer is entitled,</u>	1814
<u>but prior to applying any estimated tax payment, withholding</u>	1815
<u>payment, or credit from another taxable year.</u>	1816
<u>(3) "Taxes paid" include payments of estimated taxes made</u>	1817
<u>under division (C) of this section, taxes withheld from the</u>	1818
<u>taxpayer's compensation, taxes collected on behalf of the taxpayer</u>	1819
<u>by a pass-through entity under section 718.43 of the Revised Code,</u>	1820
<u>and tax credits applied by the taxpayer in payment of estimated</u>	1821
<u>taxes.</u>	1822
<u>(B)(1) Every taxpayer shall make a declaration of estimated</u>	1823
<u>taxes for the current taxable year, in the form prescribed by the</u>	1824
<u>municipal tax policy board under section 718.42 of the Revised</u>	1825
<u>Code, if the amount payable as estimated taxes, less the amount to</u>	1826
<u>be withheld from the taxpayer's compensation, is more than two</u>	1827
<u>hundred dollars. For the purposes of this section:</u>	1828
<u>(a) Taxes withheld from compensation shall be considered as</u>	1829
<u>paid in equal amounts on each payment date unless the taxpayer</u>	1830
<u>establishes the dates on which all amounts were actually withheld,</u>	1831
<u>in which case the amounts withheld shall be considered as paid on</u>	1832
<u>the dates on which the amounts were actually withheld.</u>	1833
<u>(b) Tax refunds applied as credits to a subsequent taxable</u>	1834
<u>year are deemed to be paid on the date the taxpayer files a return</u>	1835
<u>showing the credits to be applied.</u>	1836
<u>(c) Taxes collected on behalf of the taxpayer by a</u>	1837
<u>pass-through entity under section 718.43 of the Revised Code are</u>	1838
<u>deemed to be paid on the date the pass-through entity is required</u>	1839
<u>to collect and remit the taxes under that section.</u>	1840
<u>(d) Taxes withheld by a casino operator or by a lottery sales</u>	1841
<u>agent under section 718.031 of the Revised Code are deemed to be</u>	1842
<u>paid on the date the taxes are withheld from the taxpayer's</u>	1843
<u>winnings.</u>	1844

(2) 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 estimated taxes for an individual under a disability shall be made and filed by the person who is required to file the income tax return.	1845 1846 1847 1848 1849 1850 1851 1852
(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (F) of section 718.05 of the Revised Code or on or before the fifteenth day of the fourth month after the taxpayer becomes subject to tax for the first time.	1853 1854 1855 1856 1857
(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period.	1858 1859 1860
(5) The declaration shall be filed upon a form prescribed by the municipal tax policy board.	1861 1862
(6) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section.	1863 1864 1865
(C)(1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the municipal corporation or tax administrator, including the application of tax refunds to estimated taxes, and withholding on or before the applicable payment date shall be as follows:	1866 1867 1868 1869 1870 1871
(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year;	1872 1873 1874
(b) On or before the fifteenth day of the sixth month after	1875

<u>the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year;</u>	1876 1877
<u>(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year;</u>	1878 1879 1880
<u>(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.</u>	1881 1882 1883
<u>(2) When an amended return has been filed, the unpaid balance shown due on the amended return shall be paid in equal installments on or before the remaining payment dates.</u>	1884 1885 1886
<u>(3) On or before the last day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with section 718.05 of the Revised Code.</u>	1887 1888 1889 1890 1891
<u>(D)(1) In the case of any underpayment of estimated taxes, a penalty shall be added to the taxes for the taxable year computed as interest at the rate per annum prescribed by section 5703.47 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:</u>	1892 1893 1894 1895 1896 1897 1898
<u>(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;</u>	1899 1900 1901
<u>(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;</u>	1902 1903 1904
<u>(c) For the third payment of estimated taxes each year,</u>	1905

<u>sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;</u>	1906
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(d) <u>For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.</u>	1908
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(2) <u>The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.</u>	1911
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(3) <u>The penalty imposed under division (D) of this section shall be in lieu of any other interest charge or penalty imposed for failure to file an estimated return and make estimated payments as required by this section.</u>	1918
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(E)(1) <u>An underpayment of estimated taxes determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply:</u>	1922
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(a) <u>The amount of tax that was paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.</u>	1926
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(b) <u>The amount of tax that was paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under section 718.05 of the Revised Code for that</u>	1931
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<u>year.</u>	1937
(c) <u>The taxpayer is an individual who resides in the municipal corporation but was not domiciled there on the first day of January of the current calendar year.</u>	1938
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(2) <u>The tax administrator may waive the requirement for filing a declaration of estimated taxes for any class of taxpayers after finding that the waiver is reasonable and proper in view of administrative costs and other factors.</u>	1941
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<b>Sec. 718.09.</b> (A) This section applies to either of the following:	1945
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(1) A municipal corporation that shares the same territory as a city, local, or exempted village school district, to the extent that not more than five per cent of the territory of the municipal corporation is located outside the school district and not more than five per cent of the territory of the school district is located outside the municipal corporation;	1947
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(2) A municipal corporation that shares the same territory as a city, local, or exempted village school district, to the extent that not more than five per cent of the territory of the municipal corporation is located outside the school district, more than five per cent but not more than ten per cent of the territory of the school district is located outside the municipal corporation, and that portion of the territory of the school district that is located outside the municipal corporation is located entirely within another municipal corporation having a population of four hundred thousand or more according to the federal decennial census most recently completed before the agreement is entered into under division (B) of this section.	1953
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(B) The legislative authority of a municipal corporation to which this section applies may propose to the electors an income	1965
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tax, one of the purposes of which shall be to provide financial 1967  
assistance to the school district through payment to the district 1968  
of not less than twenty-five per cent of the revenue generated by 1969  
the tax, except that the legislative authority may not propose to 1970  
levy the income tax on the incomes of nonresident individuals. 1971  
Prior to proposing the tax, the legislative authority shall 1972  
negotiate and enter into a written agreement with the board of 1973  
education of the school district specifying the tax rate, the 1974  
percentage of tax revenue to be paid to the school district, the 1975  
purpose for which the school district will use the money, the 1976  
first year the tax will be levied, which shall be the first year 1977  
after the year in which the levy is approved or any later year, 1978  
the date of the special election on the question of the tax, and 1979  
the method and schedule by which the municipal corporation will 1980  
make payments to the school district. The special election shall 1981  
be held on a day specified in division (D) of section 3501.01 of 1982  
the Revised Code, except that the special election may not be held 1983  
on the day for holding a primary election as authorized by the 1984  
municipal corporation's charter unless the municipal corporation 1985  
is to have a primary election on that day. 1986

After the legislative authority and board of education have 1987  
entered into the agreement, the legislative authority shall 1988  
provide for levying the tax by ordinance. The ordinance shall 1989  
include the provisions described in division (A) of section 718.04 1990  
of the Revised Code and shall state the tax rate, the percentage 1991  
of tax revenue to be paid to the school district, the purpose for 1992  
which the municipal corporation will use its share of the tax 1993  
revenue, the first year the tax will be levied, and that the 1994  
question of the income tax will be submitted to the electors of 1995  
the municipal corporation. The legislative authority also shall 1996  
adopt a resolution specifying the regular or special election date 1997  
the election will be held and directing the board of elections to 1998  
conduct the election. At least ninety days before the date of the 1999

election, the legislative authority shall file certified copies of the ordinance and resolution with the board of elections. 2000  
2001

(C) The board of elections shall make the necessary arrangements for the submission of the question to the electors of 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: 2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013

"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). 2014  
2015  
2016  
2017  
2018  
2019  
2020

	For the income tax
	Against the income tax

2021

2022

2023

2024

(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. 2025  
2026  
2027  
2028  
2029  
2030

**Sec. 718.10.** (A) This section applies to a group of two or 2031  
more municipal corporations that, taken together, share the same 2032  
territory as a single city, local, or exempted village school 2033  
district, to the extent that not more than five per cent of the 2034  
territory of the municipal corporations as a group is located 2035  
outside the school district and not more than five per cent of the 2036  
territory of the school district is located outside the municipal 2037  
corporations as a group. 2038

(B) The legislative authorities of the municipal corporations 2039  
in a group of municipal corporations to which this section applies 2040  
each may propose to the electors an income tax, to be levied in 2041  
concert with income taxes in the other municipal corporations of 2042  
the group, except that a legislative authority may not propose to 2043  
levy the income tax on the incomes of individuals who do not 2044  
reside in the municipal corporation. One of the purposes of such a 2045  
tax shall be to provide financial assistance to the school 2046  
district through payment to the district of not less than 2047  
twenty-five per cent of the revenue generated by the tax. Prior to 2048  
proposing the taxes, the legislative authorities shall negotiate 2049  
and enter into a written agreement with each other and with the 2050  
board of education of the school district specifying the tax rate, 2051  
the percentage of the tax revenue to be paid to the school 2052  
district, the first year the tax will be levied, which shall be 2053  
the first year after the year in which the levy is approved or any 2054  
later year, and the date of the election on the question of the 2055  
tax, all of which shall be the same for each municipal 2056  
corporation. The agreement also shall state the purpose for which 2057  
the school district will use the money, and specify the method and 2058  
schedule by which each municipal corporation will make payments to 2059  
the school district. The special election shall be held on a day 2060  
specified in division (D) of section 3501.01 of the Revised Code, 2061  
including a day on which all of the municipal corporations are to 2062

have a primary election. 2063

After the legislative authorities and board of education have 2064  
entered into the agreement, each legislative authority shall 2065  
provide for levying its tax by ordinance. Each ordinance shall 2066  
include the provisions described in division (A) of section 718.04 2067  
of the Revised Code and shall state the rate of the tax, the 2068  
percentage of tax revenue to be paid to the school district, the 2069  
purpose for which the municipal corporation will use its share of 2070  
the tax revenue, and the first year the tax will be levied. Each 2071  
ordinance also shall state that the question of the income tax 2072  
will be submitted to the electors of the municipal corporation on 2073  
the same date as the submission of questions of an identical tax 2074  
to the electors of each of the other municipal corporations in the 2075  
group, and that unless the electors of all of the municipal 2076  
corporations in the group approve the tax in their respective 2077  
municipal corporations, none of the municipal corporations in the 2078  
group shall levy the tax. Each legislative authority also shall 2079  
adopt a resolution specifying the regular or special election date 2080  
the election will be held and directing the board of elections to 2081  
conduct the election. At least ninety days before the date of the 2082  
election, each legislative authority shall file certified copies 2083  
of the ordinance and resolution with the board of elections. 2084

(C) For each of the municipal corporations, the board of 2085  
elections shall make the necessary arrangements for the submission 2086  
of the question to the electors, and shall conduct the election in 2087  
the same manner as any other municipal income tax election. For 2088  
each of the municipal corporations, notice of the election shall 2089  
be published in a newspaper of general circulation in the 2090  
municipal corporation once a week for four consecutive weeks, or 2091  
as provided in section 7.16 of the Revised Code, prior to the 2092  
election. The notice shall include a statement of the rate and 2093  
municipal corporation and school district purposes of the income 2094

tax, the percentage of tax revenue that will be paid to the school 2095  
district, and the first year the tax will be levied, and an 2096  
explanation that the tax will not be levied unless an identical 2097  
tax is approved by the electors of each of the other municipal 2098  
corporations in the group. The ballot shall be in the following 2099  
form: 2100

"Shall the ordinance providing for a ... per cent levy on 2101  
income for (brief description of the municipal corporation and 2102  
school district purposes of the levy, including a statement of the 2103  
percentage of income tax revenue that will be paid to the school 2104  
district) be passed? The income tax, if approved, will not be 2105  
levied on the incomes of individuals who do not reside in (the 2106  
name of the municipal corporation). In order for the income tax to 2107  
be levied, the voters of (the other municipal corporations in the 2108  
group), which are also in the (name of the school district) school 2109  
district, must approve an identical income tax and agree to pay 2110  
the same percentage of the tax revenue to the school district. 2111

	For the income tax
	Against the income tax

(D) If the question is approved by a majority of the electors 2116  
and identical taxes are approved by a majority of the electors in 2117  
each of the other municipal corporations in the group, the 2118  
municipal corporation shall impose the tax beginning in on the 2119  
first day of January of the year specified in the ordinance. The 2120  
proceeds of the levy may be used only for the specified purposes, 2121  
including payment of the specified percentage to the school 2122  
district. 2123

**Sec. 718.11. (A)(1)** The legislative authority of each 2124  
municipal corporation that imposes a tax on income in accordance 2125

with this chapter shall maintain a local board of tax review to 2126  
hear appeals as provided in this section. The legislative 2127  
authority of any municipal corporation that does not impose a tax 2128  
on income on ~~the effective date of this amendment~~ June 26, 2003, 2129  
but that imposes such a tax after that date, shall establish such 2130  
a board by ordinance not later than one hundred eighty days after 2131  
the tax takes effect. 2132

(2) The local board of tax review shall consist of three 2133  
members. Two members shall be appointed by the legislative 2134  
authority of the municipal corporation, but such appointees may 2135  
not be employees, elected officials, or contractors with the 2136  
municipal corporation at any time during their term or in the five 2137  
years immediately preceding the date of appointment. One member 2138  
shall be appointed by the top administrative official of the 2139  
municipal corporation. This member may be an employee of the 2140  
municipal corporation, but may not be the director of finance or 2141  
equivalent officer, or the tax administrator or other similar 2142  
official or an employee directly involved in municipal tax 2143  
matters, or any direct subordinate thereof. 2144

(3) The term for members of the local board of tax review 2145  
appointed by the legislative authority of the municipal 2146  
corporation shall be two years. The board member appointed by the 2147  
top administrative official of the municipal corporation shall 2148  
serve at the discretion of the administrative official. 2149

(4) Members of the board of tax review appointed by the 2150  
legislative authority may be removed by the legislative authority 2151  
by majority vote for malfeasance, misfeasance, or nonfeasance in 2152  
office. To remove such a member, the legislative authority must 2153  
give the member a copy of the charges against the member and 2154  
afford the member an opportunity to be publicly heard in person or 2155  
by counsel in the member's own defense upon not less than ten 2156  
days' notice. The decision by the legislative authority on the 2157

charges is final and not appealable. 2158

(5) A member of the board who, for any reason, ceases to meet 2159  
the qualifications for the position prescribed by this section 2160  
shall resign immediately by operation of law. 2161

(6) A vacancy in an unexpired term shall be filled in the 2162  
same manner as the original appointment within sixty days of when 2163  
the vacancy was created. Any member appointed to fill a vacancy 2164  
occurring prior to the expiration of the term for which the 2165  
member's predecessor was appointed shall hold office for the 2166  
remainder of such term. No vacancy on the board shall impair the 2167  
power and authority of the remaining members to exercise all the 2168  
powers of the board. 2169

(B) Whenever a tax administrator issues a decision an 2170  
assessment regarding a an underpayment of municipal income tax 2171  
obligation that is subject to appeal as provided in this section 2172  
or in an ordinance or regulation of the municipal corporation or 2173  
denies a qualified refund claim, the tax administrator shall 2174  
notify the taxpayer in writing at the same time of the taxpayer's 2175  
right to appeal the decision assessment or denial and of the 2176  
manner in which the taxpayer may appeal the decision assessment or 2177  
denial. 2178

(C) Any person who is aggrieved by a decision by the tax 2179  
administrator and who has filed with the municipal corporation the 2180  
required returns or other documents pertaining to the municipal 2181  
income tax obligation at issue in the decision has been issued an 2182  
assessment may appeal the decision assessment to the board created 2183  
pursuant to this section by filing a request with the board. The 2184  
request shall be in writing, shall state specify the reason or 2185  
reasons why the decision assessment should be deemed incorrect or 2186  
unlawful, and shall be filed within thirty sixty days after the 2187  
tax administrator issues taxpayer receives the decision complained 2188  
of assessment. 2189

(D) The local board of tax review shall schedule a hearing to be held within forty five sixty days after receiving the request an appeal of an assessment under division (C) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board and may be represented by an attorney at law, certified public accountant, or other representative. The board may allow a hearing to be continued as jointly agreed to by the parties, but the hearing must be completed within one hundred twenty days after the first day of the hearing.

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

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

(G) The tax administrator of a municipal corporation that imposes a tax on income in accordance with this chapter shall post on the web site of the tax administrator or on the web site of the

<u>municipal corporation the rules of the local board of tax review,</u>	2222
<u>the names of the board members, and the address to which appeals</u>	2223
<u>and other correspondence must be sent. Any tax administrator that</u>	2224
<u>fails to comply with this division shall not be permitted to</u>	2225
<u>impose penalties or interest under section 718.27 of the Revised</u>	2226
<u>Code on any taxpayer until compliance is attained.</u>	2227
<u><b>Sec. 718.12. (A)(1) If an employer, agent of an employer, or</b></u>	2228
<u><b>other payer collects a tax levied in accordance with this chapter</b></u>	2229
<u><b>and fails to remit the tax as required by law, or fails to collect</b></u>	2230
<u><b>the tax, the employer, agent of the employer, or other payer is</b></u>	2231
<u><b>personally liable for any amount collected and not remitted, or</b></u>	2232
<u><b>any amount not collected. If any taxpayer fails to file a return</b></u>	2233
<u><b>or fails to pay a tax levied in accordance with this chapter, the</b></u>	2234
<u><b>taxpayer is personally liable for the amount of the tax.</b></u>	2235
<u>(2) If a taxpayer, employer, agent of an employer, or other</u>	2236
<u>payer required to file a return as required by this chapter fails</u>	2237
<u>to file the return within the time prescribed, files an incorrect</u>	2238
<u>return, fails to remit the full amount of the taxes due for the</u>	2239
<u>period covered by the return, or fails to remit any additional tax</u>	2240
<u>due together with interest on the additional tax within the</u>	2241
<u>prescribed time, the tax administrator of such municipal</u>	2242
<u>corporation, based on any information in that tax administrator's</u>	2243
<u>possession, may issue an assessment against any person liable for</u>	2244
<u>any deficiency for the period for which the return is due or for</u>	2245
<u>which the taxes are due.</u>	2246
<u>(3) An assessment issued against the taxpayer or against the</u>	2247
<u>employer, agent of the employer, or other payer pursuant to this</u>	2248
<u>section shall not be considered an election of remedies or a bar</u>	2249
<u>to an assessment against the other for failure to report or pay</u>	2250
<u>the same tax. No assessment shall be issued against any person if</u>	2251
<u>the tax has been paid by another. An assessment that has been paid</u>	2252

<u>by another shall be canceled.</u>	2253
<u>(4) The tax administrator of a municipal corporation shall give the party assessed, whether pursuant to this section or division (B) of section 718.02 of the Revised Code, written notice of the assessment in the manner provided in section 718.18 of the Revised Code. With the notice, the tax administrator shall provide instructions on how to appeal the assessment and request a hearing on the appeal at the local board of tax review.</u>	2254 2255 2256 2257 2258 2259 2260
<u>(B) Except as provided in this division, no assessment shall be issued against a taxpayer, employer, agent of an employer, or other payer more than three years after the final date the return subject to the assessment was required to be filed or the date the return was filed, whichever is later.</u>	2261 2262 2263 2264 2265
<u>Subject to division (C) of this section, the tax administrator may assess any balance due as the result of a reduction in the credit described in division (G) of section 718.04 of the Revised Code, including applicable penalty and interest, within three years of the date on which the taxpayer reports a change in either the portion of the taxpayer's income subjected to a tax levied in accordance with this chapter or the amount of tax paid to a municipal corporation pursuant to a tax levied in accordance with this chapter.</u>	2266 2267 2268 2269 2270 2271 2272 2273 2274
<u>Subject to division (C) of this section, the time limits prescribed by this division may be extended if both the taxpayer, employer, agent of the employer, or other payer and the tax administrator consent in writing to the extension. Any such extension shall also extend the three-year time limit in division (B) of section 718.19 of the Revised Code for the same period of time.</u>	2275 2276 2277 2278 2279 2280 2281
<u>This division does not apply to an assessment against an employer, agent of an employer, or other payer for taxes withheld</u>	2282 2283

<u>and not remitted to the municipal corporation, against a taxpayer, employer, agent of an employer, or other payer that fails to file a return subject to assessment as required by this chapter, or against a taxpayer, employer, agent of an employer, or other payer that files a fraudulent return.</u>	2284 2285 2286 2287 2288
<u>(C)(1) Except as provided in division (C)(2) of this section, the tax administrator shall not issue an assessment for any tax payable to the municipal corporation that is administered by the tax administrator, or for any penalty, interest, or additional charge on such tax, after the expiration of ten years from the date, including any extension, the tax return or report was due when such amount was not reported and paid, provided that the ten-year period shall be extended by the period of any lawful stay to the assessment.</u>	2289 2290 2291 2292 2293 2294 2295 2296 2297
<u>(2) There is no bar or limit to an assessment against any person who fraudulently attempts to avoid a tax imposed in accordance with this chapter.</u>	2298 2299 2300
<u>(D) With or before the issuance of an assessment, the tax administrator shall provide all of the following to the taxpayer, employer, agent of the employer, or other payer:</u>	2301 2302 2303
<u>(1) A written description of the basis for the assessment and any penalty required to be imposed with the assessment;</u>	2304 2305
<u>(2) A written description of the right to appeal the assessment and an explanation of the steps required to make such an appeal to the municipal corporation's local board of tax review, including the address at which such appeals must be filed;</u>	2306 2307 2308 2309
<u>(3) A written description of the collection remedies available to the tax administrator, including a statement that if the taxpayer, employer, agent of the employer, or other payer fails to pay an assessment or appeal to the local board of tax review within sixty days after service of the notice of</u>	2310 2311 2312 2313 2314

<u>assessment, the tax administrator will certify the amount for collection, and a summary of the provisions contained in this chapter that relate to the right to appeal the assessment.</u>	2315 2316 2317
<u>The failure of the tax administrator to comply with division (D) of this section shall neither excuse a taxpayer from payment of any taxes owed by the taxpayer nor cure any procedural defect in a taxpayer's case. If the tax administrator fails to substantially comply with division (D)(1) of this section, the tax administrator, upon application by the taxpayer, shall excuse the taxpayer from penalties and interest arising from the assessment.</u>	2318 2319 2320 2321 2322 2323 2324
<u>(E) An assessment becomes final, with the amount being due and payable to the municipal corporation, unless the party assessed files an appeal to the local board of tax review within sixty days after service of the notice of assessment as provided in section 718.11 of the Revised Code. The appeal must be signed by the party assessed or the party's authorized agent having knowledge of the facts and must be delivered to the local board of tax review and the tax administrator either personally or by certified mail.</u>	2325 2326 2327 2328 2329 2330 2331 2332 2333
<u>The tax administrator shall indicate on the assessment how the party may make remittance. The appeal shall indicate the objections of the party assessed, but additional objections may be raised in writing if received by the local board of tax review before the date the hearing on the appeal commences. If the appeal has been properly filed, the local board of tax review, tax administrator, and taxpayer shall proceed under section 718.11 of the Revised Code.</u>	2334 2335 2336 2337 2338 2339 2340 2341
<u>(F) After an assessment issued by the tax administrator becomes final, or after a final determination issued by the local board of tax review becomes final, if any portion of the assessment or the amount due pursuant to the final determination remains unpaid, including accrued interest, a certified copy of</u>	2342 2343 2344 2345 2346

<u>the tax administrator's assessment or the local board of tax review's final determination shall be filed in the office of the clerk of court of common pleas in the county in which the municipal corporation is located. An assessment or final determination shall become final upon the exhaustion of the assessed party's appellate options or, if no appeal is timely made, when the time period for making an appeal has expired.</u>	2347 2348 2349 2350 2351 2352 2353
<u>Immediately upon the filing of the assessment or final determination, the clerk shall enter a judgment against the party assessed in the amount shown on the assessment or final determination. The judgment shall have the same effect as other judgments. Execution shall issue upon the judgment upon the request of the tax administrator, and all laws applicable to sales on execution shall apply to sales made under the judgment.</u>	2354 2355 2356 2357 2358 2359 2360
<u>The portion of the assessment not paid within sixty days after the assessment was issued shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the day the tax administrator issues the assessment until it is paid. Interest shall be paid in the same manner as the tax and may be collected by the issuance of an assessment under this section.</u>	2361 2362 2363 2364 2365 2366
<u>(G) If the party assessed files an appeal under division (E) of this section, the person, on or before the last day the appeal may be filed, shall pay the assessed amount, including assessed interest and assessed penalties, if any of the following conditions exists:</u>	2367 2368 2369 2370 2371
<u>(1) The person files a tax return reporting municipal taxable income in an amount less than one cent and the reported amount is not based on the computations required under this chapter.</u>	2372 2373 2374
<u>(2) The person files a tax return that the tax administrator determines to be incomplete, false, fraudulent, or frivolous.</u>	2375 2376
<u>(3) The person fails to file a tax return, and the basis for</u>	2377

<u>this failure is not either of the following:</u>	2378
(a) <u>An assertion that the person has no nexus with the municipal corporation;</u>	2379 2380
(b) <u>The computations required under this chapter or the application of credits allowed in accordance with this chapter have the result that the person's tax liability is less than five dollars and one cent.</u>	2381 2382 2383 2384
(H)(1) <u>Notwithstanding the fact that an appeal is pending, the petitioner may pay all or a portion of the assessment that is the subject of the appeal. The acceptance of a payment by the municipal corporation does not prejudice any claim for refund upon final determination of the appeal.</u>	2385 2386 2387 2388 2389
(2) <u>If upon final determination of the appeal an error in the assessment is corrected by the tax administrator, upon an appeal 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 appellant or to the appellant'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.</u>	2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401
<b>Sec. 718.121.</b> (A) <u>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</u>	2402 2403 2404 2405 2406 2407 2408

second municipality claims is due with respect to such income or 2409  
wages, equal to the tax or withholding paid to the first municipal 2410  
corporation with respect to such income or wages. 2411

(B) If the tax rate in the second municipal corporation is 2412  
less than the tax rate in the first municipal corporation, then 2413  
the credit described in division (A) of this section shall be 2414  
calculated using the tax rate in effect in the second municipal 2415  
corporation. 2416

(C) If the tax rate in the second municipal corporation is 2417  
greater than the tax rate in the first municipal corporation, the 2418  
tax due in excess of the credit afforded is to be paid to the 2419  
second municipal corporation, along with any interest accruing 2420  
thereto during the period of nonpayment. 2421

(D) Nothing in this section permits any credit carryforward. 2422

**Sec. 718.13.** (A) Any information gained as a result of 2423  
returns, investigations, hearings, or verifications required or 2424  
authorized by this chapter or by a charter or ordinance of a 2425  
municipal corporation levying an income tax pursuant to this 2426  
chapter is confidential, and no person shall access or disclose 2427  
such information except in accordance with a proper judicial order 2428  
or in connection with the performance of that person's official 2429  
duties or the official business of the municipal corporation as 2430  
authorized by this chapter or the charter or ordinance authorizing 2431  
the levy. The tax administrator of the municipal corporation or a 2432  
designee thereof may furnish copies of returns filed or otherwise 2433  
received under this chapter and other related tax information to 2434  
the internal revenue service and to, the tax commissioner, and tax 2435  
administrators of other municipal corporations. 2436

(B) This section does not prohibit the legislative authority 2437  
of a municipal corporation, by ordinance or resolution, from 2438  
authorizing the tax administrator to publish publishing or 2439

<u>disclosing statistics in a form that does not disclose information with respect to particular taxpayers.</u>	2440 2441
<u>(C)(1) By the fifteenth day of June of each calendar year, the tax administrator of each municipal corporation shall report to the municipal tax policy board and the tax commissioner the amount of tax revenue collected by type of tax and the amount refunded by type of tax by the municipal corporation during the preceding calendar year. The tax commissioner shall include a summary of all such reports in the annual report issued under section 5703.42 of the Revised Code.</u>	2442 2443 2444 2445 2446 2447 2448 2449
<u>(2) If the tax administrator of a municipal corporation fails to timely comply with division (C)(1) of this section, the municipal corporation may not impose any penalty described in section 718.27 of the Revised Code for any taxable year ending in the calendar year in which the report was due or any date thereafter that precedes the date the tax administrator reports the information.</u>	2450 2451 2452 2453 2454 2455 2456
<u>(3) The municipal tax policy board shall maintain a list of every municipal corporation that is ineligible to impose penalties under division (C)(2) of this section and the time period during which the ineligibility applies. The list shall be posted on the web site of the department of taxation within thirty days of the deadline prescribed in division (C)(1) of this section and shall be updated at least annually.</u>	2457 2458 2459 2460 2461 2462 2463
<u><b>Sec. 718.18.</b> (A)(1) Subject to division (B) of this section, a copy of each assessment shall be served upon the person affected thereby either by personal service, by certified mail, or by a delivery service authorized under section 5703.056 of the Revised Code.</u>	2464 2465 2466 2467 2468
<u>(2) With the permission of the person affected by an assessment, a tax administrator may deliver the assessment through</u>	2469 2470

<u>alternative means as provided in this section, including, but not limited to, delivery by secure electronic mail. Delivery by such means satisfies the requirements for delivery under this section.</u>	2471 2472 2473
<u>(B)(1)(a) If certified mail is returned because of an undeliverable address, a tax administrator shall first utilize reasonable means to ascertain a new last known address, including the use of a change of address service offered by the postal service or an authorized delivery service under section 5703.056 of the Revised Code. If, after using reasonable means, the tax administrator is unable to ascertain a new last known address, the assessment is final for purposes of seeking a judgment for collection sixty days after the assessment sent by certified mail is first returned to the tax administrator, and the tax administrator shall deliver the assessment, if applicable, to the appropriate municipal corporation official for collection.</u>	2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485
<u>(b) Notwithstanding delivery for collection under division (B)(1)(a) of this section, once the tax administrator or other municipal official, or the designee of either, makes an initial contact with the person to whom the assessment is directed, the person may protest an assessment by filing an appeal with the local board of tax review within sixty days after the initial contact. The delivery of an assessment under division (B)(1)(a) of this section is prima facie evidence that delivery is complete and that the assessment is served.</u>	2486 2487 2488 2489 2490 2491 2492 2493 2494
<u>(2) If mailing of an assessment by certified mail is returned for some cause other than an undeliverable address, the tax administrator shall resend the assessment by ordinary mail. The assessment shall show the date the tax administrator sends the assessment and include the following statement:</u>	2495 2496 2497 2498 2499
<u>"This assessment is deemed to be served on the addressee under applicable law ten days from the date this assessment was mailed by the tax administrator as shown on the assessment, and</u>	2500 2501 2502

<u>all periods within which an appeal may be filed apply from and after that date."</u>	2503
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<u>Unless the mailing is returned because of an undeliverable address, the mailing of that information is prima facie evidence that delivery of the assessment was completed ten days after the tax administrator sent the assessment by ordinary mail and that the assessment was served.</u>	2505
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<u>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.</u>	2510
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<u>(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 assessment was sent was not an address with which the person was associated at the time the tax administrator originally mailed the assessment 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 assessment 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 assessment 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 assessment was mailed, owned or controlled at least twenty per cent, as determined by voting rights, of the addressee's business.</u>	2515
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<u>(2) If the person elects to appeal an assessment that has otherwise become final and is subject to collection, the person must do so within sixty days after the initial contact by the</u>	2532
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<u>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 an appeal with the local board of tax review.</u>	2535 2536 2537
<u>(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering an assessment by personal service.</u>	2538 2539 2540
<u>(E) Collection actions taken upon any assessment being appealed under division (B)(1)(b) of this section shall be stayed upon the pendency of an appeal under this section. If an appeal is filed pursuant to this section on a claim that has been delivered for collection, the collection activities with respect to the assessment shall be stayed.</u>	2541 2542 2543 2544 2545 2546
<u>(F) As used in this section:</u>	2547
<u>(1) "Last known address" means the address the tax administrator has at the time a document is originally sent by certified mail, or any address the tax administrator can ascertain using reasonable means such as the use of a change of address service offered by the postal service or an authorized delivery service under section 5703.056 of the Revised Code.</u>	2548 2549 2550 2551 2552 2553
<u>(2) "Undeliverable address" means an address to which the postal service or an authorized delivery service under section 5703.056 of the Revised Code is not able to deliver an assessment, except when the reason for nondelivery is because the addressee fails to acknowledge or accept the assessment.</u>	2554 2555 2556 2557 2558
<u>Sec. 718.19. (A) The tax administrator of a municipal corporation shall refund to employers, other payers, or taxpayers, with respect to any income or withholding tax levied by the municipal corporation:</u>	2559 2560 2561 2562
<u>(1) Overpayments of more than five dollars;</u>	2563
<u>(2) Amounts in excess of five dollars paid illegally or</u>	2564

<u>erroneously;</u>	2565
<u>(3) Amounts in excess of five dollars paid on an illegal,</u>	2566
<u>erroneous, or excessive assessment.</u>	2567
<u>(B) Except as otherwise provided in this chapter,</u>	2568
<u>applications for refund shall be filed with the tax administrator,</u>	2569
<u>on the form prescribed by the municipal tax policy board, within</u>	2570
<u>three years from the date of the illegal, erroneous, or excessive</u>	2571
<u>payment of the tax, or within any additional period allowed by</u>	2572
<u>section 718.12 or 718.41 of the Revised Code. If the municipal tax</u>	2573
<u>policy board has not prescribed such a form, then the tax</u>	2574
<u>administrator shall prescribe such a form.</u>	2575
<u>On filing of the refund application, the tax administrator</u>	2576
<u>shall determine the amount of refund due and certify such amount</u>	2577
<u>to the appropriate municipal corporation official for payment.</u>	2578
<u>(C)(1) Interest shall be allowed and paid upon any illegal or</u>	2579
<u>erroneous assessment in excess of five dollars at the rate per</u>	2580
<u>annum prescribed by section 5703.47 of the Revised Code from the</u>	2581
<u>date of the payment of the illegal or erroneous assessment until</u>	2582
<u>the date the refund of such amount is paid. If such refund results</u>	2583
<u>from the filing of a return or report, or the payment accompanying</u>	2584
<u>such return or report, by an employer, other payer, or taxpayer,</u>	2585
<u>rather than from an assessment by the tax administrator, such</u>	2586
<u>interest shall run from a period ninety days after the final</u>	2587
<u>filing date of the annual return until the date the refund is</u>	2588
<u>paid.</u>	2589
<u>(2) Interest shall be allowed and paid at the rate per annum</u>	2590
<u>prescribed by section 5703.47 of the Revised Code upon any</u>	2591
<u>overpayment not described in division (C)(1) of this section and</u>	2592
<u>in excess of five dollars from the date of the overpayment until</u>	2593
<u>the date of the refund of the overpayment, except that if any such</u>	2594
<u>overpayment is refunded within ninety days after the final filing</u>	2595

<u>date of the annual return or ninety days after the return is filed, whichever is later, no interest shall be allowed on such overpayment. For purposes of the payment of interest on such overpayments, no amount of tax, for any taxable year, shall be treated as having been paid before the date on which the tax return for that year was due without regard to any extension of time for filing such return.</u>	2596 2597 2598 2599 2600 2601 2602
<u>(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:</u>	2603 2604 2605 2606
<u>(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.</u>	2607 2608 2609 2610
<u>(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.</u>	2611 2612 2613 2614 2615
<u>(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.</u>	2616 2617 2618 2619 2620
<u>(E)(1) On filing of a refund application for a qualified refund claim, 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. The notice shall be sent to the address shown on the application unless the</u>	2621 2622 2623 2624 2625 2626

<u>applicant notifies the tax administrator of a different address.</u>	2627
<u>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 TO THE LOCAL BOARD OF TAX REVIEW."</u>	2628
<u>The notice shall contain a separate sheet of paper providing detailed instructions on the procedures for filing an appeal. The applicant shall have sixty days from the date the applicant receives the notice to file an appeal with the local board of tax review. If the applicant fails to file an appeal within the sixty-day period, the tax administrator shall take no further action and the denial of the refund, or of any portion of the refund, becomes final.</u>	2629
<u>(2) On the filing of a refund claim that is made on an originally filed annual tax return, 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, delivered by ordinary mail or in person. The notice shall be sent to the address shown on the application unless the applicant notifies the tax administrator of a different address.</u>	2630
<u>The notice shall include the following statement printed in boldface capital letters: "FULL OR PARTIAL DENIAL OF THIS REFUND MAY BE CHALLENGED ONLY BY FILING AN AMENDED TAX RETURN. SEE SEPARATE SHEET REGARDING HOW TO FILE AN AMENDED TAX RETURN."</u>	2631
<u>The notice shall contain a separate sheet of paper providing detailed instructions on the procedures for filing an amended tax return.</u>	2632
<u>(F) As used in this section, "employer" includes an agent of an employer, and "withholding tax" has the same meaning as in section 718.27 of the Revised Code.</u>	2633
<u>Sec. 718.20. If the tax administrator of a municipal corporation finds that an employer, other payer, or taxpayer</u>	2634
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liable for any income or withholding tax levied by the municipal 2658  
corporation is about to depart from the state, to remove the 2659  
employer's, other payer's, or taxpayer's property therefrom, to 2660  
conceal the employer's, other payer's, or taxpayer's self or the 2661  
employer's, other payer's, or taxpayer's property, or to do any 2662  
other act tending to prejudice or render wholly or partly 2663  
ineffectual proceedings to collect such tax, unless such 2664  
proceedings are brought without delay, or if the tax administrator 2665  
believes that the collection of the amount due from any employer, 2666  
other payer, or taxpayer will be jeopardized by delay, the tax 2667  
administrator shall give notice of such findings to such employer, 2668  
other payer, or taxpayer, together with the demand for an 2669  
immediate return and immediate payment of such tax, with an 2670  
assessment and penalty, if applicable as provided in section 2671  
718.12 of the Revised Code, whereupon such tax shall become 2672  
immediately due and payable. In such cases, the tax administrator 2673  
may immediately file the tax administrator's entry with the clerk 2674  
of the court of common pleas in the same manner and with the same 2675  
effect as provided in section 718.12 of the Revised Code, provided 2676  
that if such employer, other payer, or taxpayer, within five days 2677  
from notice of the assessment, furnishes evidence satisfactory to 2678  
the tax administrator that the employer, other payer, or taxpayer 2679  
is not in default in making returns or paying or collecting any 2680  
municipal income or withholding tax or that the employer, other 2681  
payer, or taxpayer will duly return and pay, or post bond 2682  
satisfactory to the tax administrator conditioned upon payment of 2683  
the tax finally determined to be due, such tax shall not be 2684  
payable prior to the time and manner otherwise fixed for payment 2685  
under section 718.12 of the Revised Code, and the person assessed 2686  
shall be restored to the rights granted the person under such 2687  
section. Upon satisfaction of the assessment the tax administrator 2688  
shall order the bond canceled, securities released, and judgment 2689

<u>vacated.</u>	2690
<u>As used in this section, "employer" includes an agent of an employer, and "withholding tax" has the same meaning as in section 718.27 of the Revised Code.</u>	2691
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<u><b>Sec. 718.21.</b> (A) Any nonresident of a municipal corporation who accepts the privileges extended by the laws of this state or of the municipal corporation to nonresidents earning or receiving income in such municipal corporation, and any resident of a municipal corporation who becomes a nonresident or conceals the person's whereabouts, thereby makes the secretary of state the person's agent for the service of process or notice in any assessment, action, or proceedings instituted against such person under this chapter, such process or notice shall be served as provided under section 718.18 of the Revised Code.</u>	2694
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<u>(B) For purposes of this chapter, any foreign corporation, owning or using a part or all of its capital or property in a municipal corporation, which is not authorized by the secretary of state to transact business in this state, shall be conclusively presumed to have designated the secretary of state as its agent for the service of process in any action against such corporation to recover taxes which the tax administrator for such municipal corporation is by law required to administer. Pursuant to such service, suit may be brought in municipal court, the common pleas court of the county in which the municipal corporation is located, or in any county in which such corporation owns or uses its capital or property. Such service shall be made upon the secretary of state by leaving with the secretary of state, or with an assistant secretary of state, triplicate copies of such process, together with an affidavit of the tax administrator, showing the last known address of such corporation. Upon receipt of such process and affidavit the secretary of state shall forthwith give</u>	2704
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<u>notice by certified mail to the corporation at the address</u>	2721
<u>specified in the affidavit and forward together therewith a copy</u>	2722
<u>of such process. The secretary of state shall retain a copy of</u>	2723
<u>such process in the secretary of state's files, keep a record of</u>	2724
<u>any such process served upon the secretary of state, and record</u>	2725
<u>therein the time of such service and the secretary of state's</u>	2726
<u>action thereafter with respect thereto.</u>	2727
 <u>The provisions of this section do not affect any right to</u>	2728
<u>serve process upon a foreign corporation in any other manner</u>	2729
<u>permitted by law.</u>	2730
 <u>Sec. 718.22. (A) The municipal tax policy board may, by rule,</u>	2731
<u>prescribe uniform requirements as to the keeping of records and</u>	2732
<u>other pertinent documents related to the liability of any person</u>	2733
<u>for a tax imposed by a municipal corporation in accordance with</u>	2734
<u>this chapter, and as to the filing of copies of federal income tax</u>	2735
<u>returns and determinations. Such records and other documents shall</u>	2736
<u>be open to the tax administrator's inspection during business</u>	2737
<u>hours and shall be preserved for a period of six years following</u>	2738
<u>the end of the taxable year to which the records or documents</u>	2739
<u>relate, unless the tax administrator, in writing, consents to</u>	2740
<u>their destruction within that period, or by order requires that</u>	2741
<u>they be kept longer.</u>	2742
 <u>(B) In addition to any requirements prescribed pursuant to</u>	2743
<u>division (A) of this section, the tax administrator of a municipal</u>	2744
<u>corporation may require any person, by notice served on that</u>	2745
<u>person, to keep such records as the tax administrator determines</u>	2746
<u>necessary to show whether or not that person is liable, and the</u>	2747
<u>extent of such liability, for the income tax levied by the</u>	2748
<u>municipal corporation or for the withholding of such tax.</u>	2749
 <u>Sec. 718.23. (A) The tax administrator, or any authorized</u>	2750

agent or employee thereof may examine the books, papers, records, and federal income tax returns of any employer, taxpayer, or other person that is subject to, or that the tax administrator believes is subject to, the provisions of this chapter for the purpose of verifying the accuracy of any return made or, if no return was filed, to ascertain the tax due under this chapter. Upon written request by the tax administrator or a duly authorized agent or employee thereof, every employer, taxpayer, or other person subject to this section is required to furnish, the opportunity for the tax administrator, authorized agent, or employee to investigate and examine such books, papers, records, and federal income tax returns at a reasonable time and place designated in the request. 2763

(B) The tax administrator may examine under oath any person that the tax administrator reasonably believes has knowledge concerning any income that was or would have been returned for taxation or any transaction tending to affect such income. The tax administrator may, for this purpose, compel any such person to attend a hearing or examination and to produce any books, papers, records, and federal income tax returns in such person's possession or control. 2771

No person issued written notice by the tax administrator compelling such attendance or production of books, papers, records, or federal income tax returns under this division shall fail to comply. 2775

Sec. 718.24. Nothing in this chapter shall limit the authority of a tax administrator to perform any of the following duties or functions, unless the performance of such duties or functions is expressly limited by a provision of the Revised Code or the charter or ordinances of the municipal corporation: 2780

(A) Exercise all powers whatsoever of an inquisitorial nature 2781

<u>as provided by law, including, the right to inspect books,</u>	2782
<u>accounts, records, and memorandums, to examine persons under oath,</u>	2783
<u>to issue orders or subpoenas for the production of books,</u>	2784
<u>accounts, papers, records, documents, and testimony, to take</u>	2785
<u>depositions, to apply to a court for attachment proceedings as for</u>	2786
<u>contempt, to approve vouchers for the fees of officers and</u>	2787
<u>witnesses, and to administer oaths; provided that the powers</u>	2788
<u>referred to in this division of this section shall be exercised by</u>	2789
<u>the tax administrator only in connection with the performance of</u>	2790
<u>the duties respectively assigned to the tax administrator under a</u>	2791
<u>municipal corporation income tax ordinance or resolution adopted</u>	2792
<u>in accordance with this chapter;</u>	2793
<u>(B) Appoint agents and prescribe their powers and duties;</u>	2794
<u>(C) Confer and meet with officers of other municipal</u>	2795
<u>corporations and states and officers of the United States on any</u>	2796
<u>matters pertaining to their respective official duties as provided</u>	2797
<u>by law;</u>	2798
<u>(D) Exercise the authority provided by law, including orders</u>	2799
<u>from bankruptcy courts, relative to remitting or refunding taxes</u>	2800
<u>or assessments, including penalties and interest thereon,</u>	2801
<u>illegally or erroneously assessed or collected, or for any other</u>	2802
<u>reason overpaid, and, in addition, the tax administrator may</u>	2803
<u>investigate any claim of overpayment and make a written statement</u>	2804
<u>of the tax administrator's findings, and, if the tax administrator</u>	2805
<u>finds that there has been an overpayment, approve and issue a</u>	2806
<u>refund payable to the taxpayer, the taxpayer's assigns, or legal</u>	2807
<u>representative as provided in this chapter;</u>	2808
<u>(E) Exercise the authority provided by law relative to</u>	2809
<u>consenting to the compromise and settlement of tax claims;</u>	2810
<u>(F) Exercise the authority provided by law relative to the</u>	2811
<u>use of alternative apportionment methods by taxpayers in</u>	2812

<u>accordance with section 718.02 of the Revised Code;</u>	2813
<u>(G) Make all tax assessments, findings, determinations, computations, and orders the tax administrator is by law authorized and required to make and, pursuant to time limitations provided by law, on the tax administrator's own motion, review, redetermine, or correct any tax assessments, findings, determinations, computations, or orders the tax administrator has made, but the tax administrator shall not review, redetermine, or correct any tax assessment, finding, determination, computation, or order which the tax administrator has made as to which an appeal or application for rehearing, review, redetermination, or correction has been filed with the local board of tax review or other appropriate tribunal, unless such appeal or application is withdrawn by the appellant or applicant, is dismissed, or is otherwise final;</u>	2814 2815 2816 2817 2818 2819 2820 2821 2822 2823 2824 2825 2826 2827
<u>(H) Destroy any or all returns or other tax documents in the manner authorized by law;</u>	2828 2829
<u>(I) Enter into an agreement with a taxpayer to simplify the withholding obligations described in section 718.03 of the Revised Code.</u>	2830 2831 2832
<u><b>Sec. 718.25.</b> A person may round to the nearest whole dollar all amounts the person is required to enter on any return, report, voucher, or other document required under this chapter. Any fractional part of a dollar that equals or exceeds fifty cents shall be rounded to the next whole dollar, and any fractional part of a dollar that is less than fifty cents shall be dropped. If a person chooses to round amounts entered on a document, the person shall round all amounts entered on the document.</u>	2833 2834 2835 2836 2837 2838 2839 2840
<u><b>Sec. 718.26.</b> (A) Nothing in this chapter prohibits a tax administrator from requiring any person filing a tax document with</u>	2841 2842

the tax administrator to provide identifying information, which 2843  
may include the person's social security number, federal employer 2844  
identification number, or other identification number requested by 2845  
the tax administrator. A person required by the tax administrator 2846  
to provide identifying information that has experienced any change 2847  
with respect to that information shall notify the tax 2848  
administrator of the change before, or upon, filing the next tax 2849  
document requiring the identifying information. 2850

(B) When transmitting or otherwise making use of a tax 2851  
document that contains a person's social security number, the tax 2852  
administrator shall take all reasonable measures necessary to 2853  
ensure that the number is not capable of being viewed by the 2854  
general public, including, when necessary, masking the number so 2855  
that it is not readily discernible by the general public. The tax 2856  
administrator shall not put a person's social security number on 2857  
the outside of any material mailed to the person. 2858

(C)(1) If the tax administrator makes a request for 2859  
identifying information and the tax administrator does not receive 2860  
valid identifying information within thirty days of making the 2861  
request, nothing in this chapter prohibits the tax administrator 2862  
from imposing a penalty upon the person to whom the request was 2863  
directed pursuant to section 718.27 of the Revised Code, in 2864  
addition to any applicable penalty described in section 718.99 of 2865  
the Revised Code. 2866

(2) If a person required by the tax administrator to provide 2867  
identifying information does not notify the tax administrator of a 2868  
change with respect to that information as required under division 2869  
(A) of this section within thirty days after filing the next tax 2870  
document requiring such identifying information, nothing in this 2871  
chapter prohibits the tax administrator from imposing a penalty 2872  
pursuant to section 718.27 of the Revised Code. 2873

<u>(3) The penalties provided for under divisions (C)(1) and (2) of this section may be billed and assessed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in section 718.99 of the Revised Code for a violation of section 718.35 of the Revised Code and any other penalties that may be imposed by the tax administrator by law.</u>	2874 2875 2876 2877 2878 2879 2880
<u><b>Sec. 718.27. (A) As used in this section:</b></u>	2881
<u>(1) "Applicable law" means this chapter, the resolutions, ordinances, directives, instructions, and rules adopted by a municipal corporation provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax.</u>	2882 2883 2884 2885 2886 2887
<u>(2) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding tax imposed by a municipal corporation pursuant to applicable law, including at any time before the effective date.</u>	2888 2889 2890 2891
<u>(3) A "return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with a tax administrator or municipal corporation by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before the effective date.</u>	2892 2893 2894 2895 2896 2897
<u>(4) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.</u>	2898 2899 2900 2901 2902
<u>(5) "Interest rate" as described in division (A) of this</u>	2903

<u>section, means the federal short-term rate, rounded to the nearest whole number per cent, plus three per cent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(4) of this section.</u>	2904 2905 2906 2907 2908
<u>(6) "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.</u>	2909 2910 2911
<u>(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law.</u>	2912 2913 2914
<u>(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law.</u>	2915 2916 2917
<u>(9) "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.</u>	2918 2919 2920 2921 2922
<u>(10) The effective date to which this section refers is the effective date of ...B... of the 130th general assembly.</u>	2923 2924
<u>(B) This section applies to the following:</u>	2925
<u>(1) Any return required to be filed under applicable law on or after the effective date;</u>	2926 2927
<u>(2) Any return required to be filed before the effective date if the return has not been filed on or before the one hundred eightieth day after the effective date;</u>	2928 2929 2930
<u>(3) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation on or after the effective date;</u>	2931 2932 2933

<u>(4) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation any time before the 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 the effective date.</u>	2934 2935 2936 2937 2938
<u>(C) Each municipal corporation levying a tax on income shall impose on a taxpayer, employer, any agent of the employer, and any other payer, and must attempt to collect, the interest amounts and penalties prescribed under division (C) of this section when the taxpayer, employer, any agent of the employer, or any other payer for any reason fails, in whole or in part, to make to the municipal corporation timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the municipal corporation any return required to be filed.</u>	2939 2940 2941 2942 2943 2944 2945 2946 2947 2948
<u>(1) Interest shall be imposed at the rate described in division (A) of this section, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax.</u>	2949 2950 2951
<u>(2)(a) With respect to unpaid income tax and unpaid estimated income tax, a municipal corporation shall impose a penalty equal to ten per cent of the amount not timely paid.</u>	2952 2953 2954
<u>(b) With respect to any unpaid withholding tax, a municipal corporation shall impose a penalty equal to fifty per cent of the amount not timely paid.</u>	2955 2956 2957
<u>(3)(a) With respect to annual income tax returns for individuals, a municipal corporation shall impose a penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon.</u>	2958 2959 2960 2961
<u>(b) With respect to returns other than annual income tax returns for individuals and estimated income tax returns, a municipal corporation shall impose a penalty of twenty-five</u>	2962 2963 2964

<u>dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed one hundred fifty dollars for each failure.</u>	2965 2966 2967 2968 2969
<u>(D)(1) With respect to the income taxes, estimated income taxes, withholding taxes, and returns, no municipal corporation shall impose, seek to collect, or collect any penalty, amount of interest, charges, or additional fees not described in this section.</u>	2970 2971 2972 2973 2974
<u>(2) With respect to the income taxes, estimated income taxes, withholding taxes, and returns not described in division (A) of this section, nothing in this section requires a municipal corporation to refund or credit any penalty, amount of interest, charges, or additional fees that the municipal corporation has properly imposed or collected before the effective date.</u>	2975 2976 2977 2978 2979 2980
<u>(E) Nothing in this section limits the authority of a municipal corporation to abate or partially abate penalties or interest imposed under this section when the tax administrator determines, in the tax administrator's sole discretion, that such abatement is appropriate.</u>	2981 2982 2983 2984 2985
<u>(F) By the thirty-first day of October of each year the municipal corporation shall publish the rate described in division (A) of this section applicable to the next succeeding calendar year.</u>	2986 2987 2988 2989
<u>(G) The municipal corporation may impose on the taxpayer, employer, any agent of the employer, or any other payer the municipal corporation's collection costs and fees, including collection of attorney's fees and any other related fees and charges, incurred in connection with municipal corporation's collection activities including litigation activities and related</u>	2990 2991 2992 2993 2994 2995

appeals. Nothing in this division prevents a taxpayer from seeking reimbursement of attorney's fees and costs of appeals in accordance with section 718.44 of the Revised Code. 2996  
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Sec. 718.28. (A) As used in this section, "claim" means a claim for an amount payable to a municipal corporation that arises pursuant to the municipal income tax imposed in accordance with this chapter and for which a tax administrator has delivered an assessment to the clerk of courts as described in section 718.12 of the Revised Code. 2999  
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(B) Nothing in this chapter prohibits a tax administrator from doing either of the following if such action is in the best interests of the municipal corporation: 3005  
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(1) Compromise a claim; 3008

(2) Extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments. The agreement shall be in writing and may require security for payment of the claim. 3009  
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(C) The tax administrator shall consider the following standards when ascertaining with respect to a claim whether a compromise or payment-over-time agreement is in the best interests of the municipal corporation: 3013  
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(1) There exists a doubt as to whether the claim can be collected. 3017  
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(2) There exists a substantial probability that, upon payment of the claim and submission of a timely application for refund with respect to that payment, the tax administrator would refund an amount that was illegally or erroneously paid. 3019  
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(3) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration. 3023  
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(4) There exists a joint assessment of spouses, one of whom 3025

<u>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.</u>	3026 3027 3028 3029 3030 3031 3032 3033
<u>(5) Any other reasonable standard that the tax administrator establishes.</u>	3034 3035
<u>(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.</u>	3036 3037 3038
<u>(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.</u>	3039 3040 3041 3042
<u>(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.</u>	3043 3044 3045 3046 3047 3048 3049 3050
<u>Sec. 718.30. Nothing in this chapter prohibits the legislative authority of a municipal corporation, or a tax administrator pursuant to authority granted to the administrator by resolution or ordinance, to adopt rules to administer an income tax imposed by the municipal corporation in accordance with this chapter or to audit taxpayers. Such rules shall not conflict with</u>	3051 3052 3053 3054 3055 3056

or be inconsistent with any provision of this chapter or with any rule adopted by the municipal tax policy board pursuant to section 718.42 of the Revised Code. Unless rules adopted under this section are published and posted on the internet as described in section 718.07 of the Revised Code, the rules may not be enforced by the tax administrator or municipal corporation. 3057  
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Sec. 718.31. (A) To carry out the purposes of laws that a tax administrator is required to administer, the tax administrator or any person employed by the tax administrator for that purpose, upon demand, may inspect the books, accounts, records, and memoranda of any person subject to those laws, and may examine under oath any officer, agent, or employee of that person. Any person other than the tax administrator who makes a demand pursuant to this section shall produce the person's authority to make the inspection. 3063  
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(B) If a person receives at least ten days' written notice of a demand made under division (A) of this section and refuses to comply with that demand, the tax administrator may impose a penalty on the person pursuant to section 718.27 of the Revised Code. 3072  
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(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. 3077  
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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, 3080  
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<u>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.</u>	3087
<u>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.</u>	3092
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<u><b>Sec. 718.36.</b> (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.</u>	3095
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<u>(B) Except in cases involving suspected criminal activity, the tax administrator shall conduct an audit of a taxpayer during regular business hours and after providing reasonable notice to the taxpayer. A taxpayer who is unable to comply with a proposed time for an audit on the grounds that the proposed time would cause inconvenience or hardship must offer reasonable alternative dates for the audit.</u>	3103
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<u>(C) At all stages of an audit by the tax administrator, a taxpayer is entitled to be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner. The tax administrator shall prescribe a form by which a taxpayer may designate such a person to assist or represent the taxpayer in the conduct of any proceedings resulting from actions by the tax administrator. If a taxpayer has not submitted such a form, the</u>	3110
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<u>tax administrator may accept other evidence, as the tax administrator considers appropriate, that a person is the authorized representative of a taxpayer.</u>	3117 3118 3119
<u>A taxpayer may refuse to answer any questions asked by the person conducting an audit until the taxpayer has an opportunity to consult with the taxpayer's attorney, accountant, bookkeeper, or other tax practitioner. This division does not authorize the practice of law by a person who is not an attorney.</u>	3120 3121 3122 3123 3124
<u>(D) A taxpayer may record, electronically or otherwise, the audit examination.</u>	3125 3126
<u>(E) The failure of the tax administrator to comply with a provision of this section shall neither excuse a taxpayer from payment of any taxes owed by the taxpayer nor cure any procedural defect in a taxpayer's case.</u>	3127 3128 3129 3130
<u>(F) If the tax administrator fails to substantially comply with the provisions of this section, the tax administrator, upon application by the taxpayer, shall excuse the taxpayer from penalties and interest arising from the audit.</u>	3131 3132 3133 3134
<u><b>Sec. 718.37.</b> (A) If the municipal corporation imposing a tax in accordance with this chapter has a population greater than thirty thousand according to the most recent decennial census or if the tax administrator charged with the administration of the tax is one other than a tax administrator described by division (U)(2) of section 718.01 of the Revised Code, the tax administrator shall appoint one or more problem resolution officers. Each problem resolution officer shall be a new or existing employee of the tax administrator. Problem resolution officers shall receive and review inquiries and complaints concerning matters that have been pending before the tax administrator for an unreasonable length of time or to which a taxpayer has been unable to obtain a satisfactory response after</u>	3135 3136 3137 3138 3139 3140 3141 3142 3143 3144 3145 3146 3147

<u>several attempts to communicate with the person assigned by the tax administrator to the taxpayer's case or that person's immediate supervisor.</u>	3148 3149 3150
<u>Nothing in this section requires that the employment duties of an employee appointed as a problem resolution officer must be limited solely to duties directly or indirectly related to those duties associated with employment as a problem resolution officer, and the employment duties of a problem resolution officer may encompass significant duties that vary from, and are in addition to, those duties associated with employment as a problem resolution officer.</u>	3151 3152 3153 3154 3155 3156 3157 3158
<u>Matters arising in cases on appeal from an assessment of the tax administrator or in cases certified for collection are not reviewable by a problem resolution officer. An action taken by a problem resolution officer is not a final order of the tax administrator and is not appealable to the local board of tax review.</u>	3159 3160 3161 3162 3163 3164
<u>(B) Neither a tax administrator nor a municipal corporation shall use the amount of taxes assessed by an employee of the tax administrator or the municipal corporation as the basis of a production quota system for employees or the basis for evaluating an employee's performance.</u>	3165 3166 3167 3168 3169
<u><b>Sec. 718.38.</b> (A) An "opinion of the tax administrator" means an opinion issued under this section with respect to prospective municipal income tax liability. It does not include ordinary correspondence of the tax administrator or the municipal tax policy board.</u>	3170 3171 3172 3173 3174
<u>(B) A taxpayer may submit a written request for an opinion of the tax administrator as to whether or how certain income, source of income, or a certain activity or transaction will be taxed. The</u>	3175 3176 3177

written response of the tax administrator shall be an "opinion of the tax administrator" and shall bind the tax administrator, in accordance with divisions (C), (G), and (H) of this section, provided all of the following conditions are satisfied:	3178 3179 3180 3181
(1) The taxpayer's request fully and accurately describes the specific facts or circumstances relevant to a determination of the taxability of the income, source of income, activity, or transaction, and, if an activity or transaction, all parties involved in the activity or transaction are clearly identified by name, location, or other pertinent facts.	3182 3183 3184 3185 3186 3187
(2) The request relates to a tax imposed by the municipal corporation in accordance with this chapter.	3188 3189
(3) The tax administrator's response is signed by the tax administrator and designated as an "opinion of the tax administrator."	3190 3191 3192
(C) An opinion of the tax administrator shall remain in effect and shall protect the taxpayer for whom the opinion was prepared and who reasonably relies on it from liability for any taxes, penalty, or interest otherwise chargeable on the activity or transaction specifically held by the tax administrator's opinion to be taxable in a particular manner or not to be subject to taxation for any taxable years that may be specified in the opinion, or until the earliest of the following dates:	3193 3194 3195 3196 3197 3198 3199 3200
(1) The effective date of a written revocation by the tax administrator sent to the taxpayer by certified mail, return receipt requested. The effective date of the revocation shall be the taxpayer's date of receipt or one year after the issuance of the opinion, whichever is later;	3201 3202 3203 3204 3205
(2) The effective date of any amendment or enactment of a relevant section of the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance that would	3206 3207 3208

<u>substantially change the analysis and conclusion of the opinion of the tax administrator;</u>	3209
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(3) <u>The date on which a court issues an opinion establishing or changing relevant case law with respect to the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance;</u>	3211
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(4) <u>If the opinion of the tax administrator was based on the interpretation of federal law, the effective date of any change in the relevant federal statutes or regulations, or the date on which a court issues an opinion establishing or changing relevant case law with respect to federal statutes or regulations;</u>	3215
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(5) <u>The effective date of any change in the taxpayer's material facts or circumstances;</u>	3220
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(6) <u>The effective date of the expiration of the opinion, if specified in the opinion.</u>	3222
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(D) <u>A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts.</u>	3224
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(E) <u>If a tax administrator provides written advice under this section, the opinion shall include a statement that:</u>	3228
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(1) <u>The tax consequences stated in the opinion may be subject to change for any of the reasons stated in division (C) of this section;</u>	3230
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(2) <u>It is the duty of the taxpayer to be aware of such changes.</u>	3233
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(F) <u>A tax administrator may refuse to offer an opinion on any request received under this section.</u>	3235
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(G) <u>This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1,</u>	3237
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<u>2013.</u>	3239
<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>	3240 3241 3242 3243
<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>	3244 3245 3246 3247 3248 3249 3250
<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>	3251 3252 3253 3254 3255 3256 3257 3258 3259
<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>	3260 3261 3262
<u><b>Sec. 718.39. (A) A taxpayer aggrieved by an action or omission of a tax administrator, a tax administrator's employee, or an employee of the municipal corporation may bring an action against the tax administrator, against the municipal corporation, or against both, for damages in the court of common pleas of the county in which the municipal corporation is located, if all of the following apply:</b></u>	3263 3264 3265 3266 3267 3268 3269

<u>(1) In the action or omission the tax administrator, the tax administrator's employees, or the employee of the municipal corporation frivolously disregards a provision of this chapter, a rule promulgated by the municipal tax policy board under section 718.42 of the Revised Code, or an instruction of the tax administrator;</u>	3270 3271 3272 3273 3274 3275
<u>(2) The action or omission occurred with respect to an audit or assessment and the review and collection proceedings connected with the audit or assessment;</u>	3276 3277 3278
<u>(3) The tax administrator, the tax administrator's employee, or the employee of the municipal corporation did not act manifestly outside the scope of employment and did not act with malicious purpose, in bad faith, or in a wanton or reckless manner.</u>	3279 3280 3281 3282 3283
<u>(B) In any action brought under division (A) of this section, upon a finding of liability on the part of the tax administrator or the municipal corporation, the tax administrator or the municipal corporation shall be liable to the taxpayer in an amount equal to the sum of the following:</u>	3284 3285 3286 3287 3288
<u>(1) Compensatory damages sustained by the taxpayer as a result of the action or omission by the tax administrator, the tax administrator's employee, or the employee of the municipal corporation;</u>	3289 3290 3291 3292
<u>(2) Reasonable costs of litigation and attorneys' fees sustained by the taxpayer.</u>	3293 3294
<u>(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.</u>	3295 3296 3297 3298 3299
<u>(D) Whenever it appears to the court that a taxpayer's</u>	3300

<u>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.</u>	3301 3302 3303 3304
<u>(E) Division (A) of this section does not apply to opinions of the tax administrator or other information functions of the tax administrator.</u>	3305 3306 3307
<u>(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:</u>	3308 3309 3310 3311
<u>(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;</u>	3312 3313 3314 3315 3316 3317
<u>(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.</u>	3318 3319 3320
<u>Sec. 718.41. (A) A taxpayer shall file an amended return with the tax administrator in such form as the municipal tax policy board requires in accordance with section 718.42 of the Revised Code if either of the following applies:</u>	3321 3322 3323 3324
<u>(1) Any of the facts, figures, computations, or attachments required in the taxpayer's annual return to determine the tax due levied by the municipal corporation in accordance with this chapter must be altered as the result of an adjustment to the taxpayer's federal income tax return, whether initiated by the taxpayer or the internal revenue service, and such alteration</u>	3325 3326 3327 3328 3329 3330

<u>affects the taxpayer's tax liability under this chapter;</u>	3331
<u>(2) The tax commissioner finds that the taxpayer is properly treated as a resident of this state for the purposes of Chapter 5747. of the Revised Code. The amended return shall be filed not later than sixty days after the adjustment has been agreed to or finally determined for federal or state income tax purposes or any federal or state income tax deficiency or refund, or the abatement or credit resulting therefrom, has been assessed or paid, whichever occurs first.</u>	3332 3333 3334 3335 3336 3337 3338 3339
<u>(B)(1) In the case of an underpayment, the amended return shall be accompanied by payment of any combined additional tax due together with interest thereon. If the combined tax shown to be due is five dollars or less, such amount need not accompany the amended return. An amended return required by this section is a return subject to assessment under section 718.12 of the Revised Code for the purpose of assessing any additional tax due under this section, together with any applicable penalty and interest. Except as provided under division (B)(2) of this section, the amended return shall not reopen those facts, figures, computations, or attachments from a previously filed return no longer subject to assessment that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return.</u>	3340 3341 3342 3343 3344 3345 3346 3347 3348 3349 3350 3351 3352 3353
<u>(2) The additional tax to be paid shall not exceed the amount of tax that would be due if all facts, figures, computations, and attachments were reopened.</u>	3354 3355 3356
<u>(C)(1) In the case of an overpayment, an application for refund may be filed under this division within the sixty-day period prescribed for filing the amended return even if it is filed beyond the period prescribed in section 718.19 of the Revised Code if it otherwise conforms to the requirements of that section. If the amount of the refund is five dollars or less, no</u>	3357 3358 3359 3360 3361 3362

<u>refund need be paid by the municipal corporation to the taxpayer.</u>	3363
<u>Except as set forth in division (C)(2) of this section, an application filed under this division shall claim refund of overpayments resulting from alterations to only those facts, figures, computations, or attachments required in the taxpayer's annual return that are affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless it is also filed within the time prescribed in section 718.19 of the Revised Code. Except as set forth in division (C)(2) of this section, the application shall not reopen those facts, figures, computations, or attachments that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return.</u>	3364
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<u>(2) The amount to be refunded shall not exceed the amount of refund that would be due if all facts, figures, computations, and attachments were reopened.</u>	3376
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 <u>Sec. 718.42. (A) The governor shall appoint a municipal tax policy board consisting of seven members comprised as follows:</u>	3379
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<u>(1) One member shall be the tax administrator of a municipal corporation with a population greater than three hundred fifty thousand according to the most recent decennial census;</u>	3381
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<u>(2) One member shall be the tax administrator of a municipal corporation with a population greater than one hundred thousand, but not more than three hundred fifty thousand according to the most recent decennial census;</u>	3384
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<u>(3) One member shall be the tax administrator of a municipal corporation with a population greater than fifty thousand, but not more than one hundred thousand according to the most recent decennial census;</u>	3388
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<u>(4) One member shall be the tax administrator of a municipal</u>	3392

<u>corporation with a population greater than fifteen thousand, but</u>	3393
<u>not more than fifty thousand according to the most recent</u>	3394
<u>decennial census;</u>	3395
<u>(5) One member shall be the tax administrator of a municipal</u>	3396
<u>corporation with a population of not more than fifteen thousand</u>	3397
<u>according to the most recent decennial census;</u>	3398
<u>(6) One member shall be an employee of the regional income</u>	3399
<u>tax authority;</u>	3400
<u>(7) One member shall be an employee of the central collection</u>	3401
<u>agency.</u>	3402
<u>(B) Of the original members of the municipal income tax</u>	3403
<u>policy board, two members shall be appointed to terms ending March</u>	3404
<u>31, 2013, two members shall be appointed to terms ending March 31,</u>	3405
<u>2014, and three members shall be appointed to terms ending March</u>	3406
<u>31, 2015. Thereafter, terms of office for all members shall be</u>	3407
<u>three years, commencing on the first day of April and ending on</u>	3408
<u>the thirty-first day of March. Each member shall hold office from</u>	3409
<u>the date of appointment until the date of the end of the term for</u>	3410
<u>which the member was appointed. Any member shall continue in</u>	3411
<u>office subsequent to the expiration date of the member's term</u>	3412
<u>until the member's successor takes office, or until a period of</u>	3413
<u>sixty days has elapsed, whichever occurs first.</u>	3414
<u>One of the members of the board shall be named by the</u>	3415
<u>governor as chair of the board at the time of making the</u>	3416
<u>appointment of any member for a full term. No member of the board</u>	3417
<u>shall receive a salary.</u>	3418
<u>(C) The governor may remove any member of the municipal tax</u>	3419
<u>policy board for malfeasance, misfeasance, or nonfeasance in</u>	3420
<u>office, giving the member a copy of the charges against the member</u>	3421
<u>and affording the member an opportunity to be publicly heard in</u>	3422
<u>person or by counsel in the member's own defense upon not less</u>	3423

<u>than ten days' notice. If the member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges made against the member and the governor's finding on the charges together with a complete report of the proceedings. The governor's decision on the charges is final.</u>	3424 3425 3426 3427 3428 3429
<u>A member of the municipal tax policy board who, for any reason, ceases to meet the qualifications for the position prescribed by division (A) of this section shall resign immediately by operation of law.</u>	3430 3431 3432 3433
<u>(D) A vacancy in an unexpired term shall be filled in the same manner as the original appointment and in such a way that the composition of the board remains as specified in division (A) of this section. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board.</u>	3434 3435 3436 3437 3438 3439 3440 3441 3442
<u>(E) Upon application by one or more tax administrators, or as otherwise required by this chapter, the municipal tax policy board may adopt rules in accordance with Chapter 119. of the Revised Code related to municipal corporations' administration and enforcement of income taxes levied in accordance with this chapter. A rule adopted by the municipal tax policy board shall apply to each municipal corporation in this state. Before adopting a rule, the municipal tax policy board may seek comments from municipal corporations, tax practitioners, and taxpayers. One or more municipal corporations may make applications to the municipal tax policy board for review of any rule adopted under this division.</u>	3443 3444 3445 3446 3447 3448 3449 3450 3451 3452 3453 3454
<u>(F) The municipal tax policy board may designate working</u>	3455

<u>committees. The committees shall be chaired by a member of the board, but the committee may include members not serving on the board such as tax administrators or interested members of the public.</u>	3456
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<u>(G) All forms, reports, schedules, and attachments required to be filed pursuant to this chapter shall be prescribed and created by the municipal tax policy board. Before prescribing and creating such forms, the municipal tax policy board shall seek the comments of tax administrators other than those described in division (U)(2) of section 718.01 of the Revised Code and any other persons the municipal tax policy board deems appropriate.</u>	3460
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<u>(H) Subject to division (I) of this section, the municipal tax policy board shall prescribe the forms that the signature and declaration, if any, shall take on any document required to be filed with a tax administrator and or any other document required under this chapter.</u>	3467
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<u>No such document need be sworn to. Any such document shall have printed on it the following statement, which shall be subscribed to by the person signing such return, claim, or report: "I declare under penalties of perjury that this return or claim (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return and report."</u>	3472
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<u>(I) Income tax returns, reports, or other documents requiring the signature of a tax return preparer shall be accepted by a tax administrator if the facsimile of such a signature is provided in lieu of a manual signature.</u>	3479
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<u>(J) A person may use forms other than those prescribed pursuant to division (G) of this section if the other forms contain all the information required to be included on such forms by the municipal tax policy board. Such forms will be accepted as</u>	3483
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<u>valid forms by the tax administrator with whom the form is filed.</u>	3487
<u>(K) As used in this division, "document" means any report, return, schedule, statement, claim, or other item intended for submission to any tax administrator or an employee thereof concerning any tax imposed by the tax administrator in accordance with this chapter.</u>	3488
<u>The municipal tax policy board may designate which documents promulgated by the board must be signed by tax return preparers.</u>	3493
<u>(L) The municipal tax policy board shall provide an instructional booklet, in both printed and electronic formats, for filing any tax returns, forms, and schedules required under this chapter. The instructional booklet shall include a general description of the method by which the tax is assessed and collected and the rights and responsibilities of the taxpayer in that process.</u>	3495
<u>(M) The municipal tax policy board shall meet at least quarterly and may meet more frequently upon motion of the chair. The principal office of the board shall be located in Franklin county. The board shall take such action as necessary to fulfill the duties of the municipal tax policy board under this chapter. The municipal tax policy board is a public body under section 121.22 of the Revised Code and a public office under section 149.43 of the Revised Code, and all records of the municipal tax policy board are public records under section 149.43 of the Revised Code unless the record discloses the identity of any taxpayer.</u>	3502
<u><b>Sec. 718.43. (A) Notwithstanding any other provision of this chapter, the net profit of a pass-through entity is subject to taxation in the manner prescribed in this section.</b></u>	3513
<u>Each pass-through entity owner's share of net profit of the</u>	3516

<u>pass-through entity that is subject to taxation by the municipal corporation shall be included in the income of the owner.</u>	3517
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<u>For each taxable year beginning on or after January 1, 2015, each pass-through entity having net profit apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code for the taxable year shall collect on behalf of each owner and remit to the tax administrator an amount equal to the tax due on the owner's distributive share of the net profit of the pass-through entity, whether or not distributed.</u>	3519
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<u>(B)(1) The tax liability for the taxable year that shall be collected and remitted pursuant to division (A) of this section shall be paid through estimated taxes made payable to the municipal corporation or tax administrator on or before the applicable payment date as follows:</u>	3526
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<u>(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year;</u>	3531
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<u>(b) On or before the fifteenth day of the sixth month after the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year;</u>	3534
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<u>(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year;</u>	3537
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<u>(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.</u>	3540
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<u>(2) On or before the fifteenth day of the fourth month following the end of the pass-through entity's taxable year, every pass-through entity subject to the collection requirement under this section shall file an annual return with the tax administrator and remit to the tax administrator the amount of the</u>	3543
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<u>taxes shown to be due on the return, less any amounts paid as estimated payments under division (B)(1) of this section.</u>	3548
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<u>(C)(1) Any amount withheld under division (A) of this section and remitted to the tax administrator shall be treated as a payment of the tax liability or of the liability for withholding under this section of the owner to whom the income is distributable for the taxable year for which that owner incurred a liability for municipal income tax.</u>	3550
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<u>(2) An owner may claim a refundable credit against the income tax imposed by a municipal corporation equal to the amount withheld by a pass-through entity with respect to net profit distributable to the owner by the pass-through entity under division (A) of this section. The municipal tax policy board shall adopt rules in accordance with Chapter 119. of the Revised Code to govern the manner by which such an owner may claim the credit.</u>	3556
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<u>(D) If the only source of income for an owner in a municipal corporation is income from distributive shares in one or more pass-through entities that withhold and report tax to the municipal corporation in accordance with divisions (A) and (B) of this section, the owner is not required to file a return in accordance with section 718.05 of this section to report such income.</u>	3563
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<u>(E) Any pass-through entity that is required to withhold tax under division (A) of this section that has received an extension to file the pass-through entity's federal tax return for partnership or S corporation income 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. An extension of time to file is not an extension of the time to pay any tax due. Upon filing the return required in division (B) of this section the</u>	3570
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<u>pass-through entity shall include a copy of the federal extension request.</u>	3580
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<u>Sec. 718.44. (A) If a taxpayer appeals an assessment related to an income tax imposed by a municipal corporation, and is unsuccessful on appeal, the taxpayer is liable to the municipal corporation for the reasonable costs of litigation and attorneys' fees sustained by the municipal corporation.</u>	3582
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<u>(B) If a taxpayer appeals an assessment 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 taxpayer.</u>	3587
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<u>(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.</u>	3592
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<u>Sec. 718.04 718.50. (A) No municipal corporation other than the municipal corporation of residence shall levy a tax on the income of any member or employee of the Ohio general assembly including the lieutenant governor which income is received as a result of services rendered as such member or employee and is paid from appropriated funds of this state.</u>	3598
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<u>(B) No municipal corporation other than the municipal corporation of residence and the city of Columbus shall levy a tax on the income of the chief justice or a justice of the supreme court received as a result of services rendered as the chief justice or justice. No municipal corporation other than the municipal corporation of residence shall levy a tax on the income</u>	3604
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of a judge sitting by assignment of the chief justice or on the	3610
income of a district court of appeals judge sitting in multiple	3611
locations within the district, received as a result of services	3612
rendered as a judge.	3613
<u><b>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.</b></u>	3614
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<u>(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.</u>	3618
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<u>(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 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.</u>	3626
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<u>(D) Each instance of access or disclosure in violation of division (A) of section 718.13 of the Revised Code constitutes a separate offense.</u>	3635
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<u><b>Sec. 5703.059. (A) The tax commissioner may adopt rules requiring returns, including any accompanying schedule or</b></u>	3638
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statement, for any of the following taxes to be filed electronically using the Ohio business gateway as defined in section <del>718.051</del> <ins>718.01</ins> of the Revised Code, filed telephonically using the system known as the Ohio telefile system, or filed by any other electronic means prescribed by the commissioner:	3640
(1) Employer income tax withholding under Chapter 5747. of the Revised Code;	3641
(2) Motor fuel tax under Chapter 5735. of the Revised Code;	3642
(3) Cigarette and tobacco product tax under Chapter 5743. of the Revised Code;	3643
(4) Severance tax under Chapter 5749. of the Revised Code;	3644
(5) Use tax under Chapter 5741. of the Revised Code.	3645
(B) The tax commissioner may adopt rules requiring any payment of tax shown on such a return to be due to be made electronically in a manner approved by the commissioner.	3646
(C) A rule adopted under this section does not apply to returns or reports filed or payments made before six months after the effective date of the rule. The commissioner shall publicize any new electronic filing requirement on the department's web site. The commissioner shall educate the public of the requirement through seminars, workshops, conferences, or other outreach activities.	3647
(D) Any person required to file returns and make payments electronically under rules adopted under this section may apply to the commissioner, on a form prescribed by the commissioner, to be excused from that requirement. For good cause shown, the commissioner may excuse the applicant from the requirement and permit the applicant to file the returns or reports or make the payments required under this section by nonelectronic means.	3648

<b>Sec. 5703.57.</b> (A) As used in this section, "Ohio business gateway" has the same meaning as in section 718.051 of the Revised Code.	3669 3670 3671
(B) There is hereby created the Ohio business gateway steering committee to direct the continuing development of the Ohio business gateway and to oversee its operations. The committee shall provide general oversight regarding operation of the Ohio business gateway and shall recommend to the department of administrative services enhancements that will improve the Ohio business gateway. The committee shall consider all banking, technological, administrative, and other issues associated with the Ohio business gateway and shall make recommendations regarding the type of reporting forms or other tax documents to be filed through the Ohio business gateway.	3672 3673 3674 3675 3676 3677 3678 3679 3680 3681 3682
(C) The committee shall consist of:	3683
(1) The following members, appointed by the governor with the advice and consent of the senate:	3684 3685
(a) Not more than four representatives of the business community;	3686 3687
(b) Not more than <del>one representative</del> <ins>three representatives</ins> of municipal tax administrators; and	3688 3689
(c) Not more than two tax practitioners.	3690
(2) The following ex officio members:	3691
(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;	3692 3693 3694 3695
(b) The secretary of state or the secretary of state's designee;	3696 3697

(c) The treasurer of state or the treasurer of state's designee;	3698
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(d) The director of budget and management or the director's designee;	3700
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(e) The state chief information officer or the officer's designee;	3702
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(f) The tax commissioner or the tax commissioner's designee; <u>and</u>	3704
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(g) The director of development or the director's designee; <u>and</u>	3706
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<u>(h) The chair of the municipal tax policy board or the chair's designee.</u>	3708
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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.	3710
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(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.	3713
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(E) The committee is a part of the department of taxation for administrative purposes.	3722
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(F) Each year, the governor shall select a member of the committee to serve as chairperson. The chairperson shall appoint an official or employee of the department of taxation to act as the committee's secretary. The secretary shall keep minutes of the	3724
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committee's meetings and a journal of all meetings, proceedings,	3728
findings, and determinations of the committee.	3729
(G) The committee may hire professional, technical, and	3730
clerical staff needed to support its activities.	3731
(H) The committee shall meet as often as necessary to perform	3732
its duties.	3733
<b>Sec. 5717.011.</b> (A) As used in this chapter, "tax	3734
administrator" has the same meaning as in section 718.01 of the	3735
Revised Code.	3736
(B) Appeals from a <u>municipal final determination of a local</u>	3737
board of <u>appeal tax review</u> created under section 718.11 of the	3738
Revised Code may be taken by the taxpayer or the tax administrator	3739
to the board of tax appeals <del>or, but may not</del> be taken by the	3740
taxpayer or the tax administrator to a court of common pleas <del>as</del>	3741
<del>otherwise provided by law.</del> If the taxpayer or the tax	3742
administrator elects to make an appeal to the board of tax appeals	3743
<del>or court of common pleas,</del> the appeal shall be taken by the filing	3744
of a notice of appeal with the board of tax appeals <del>or court of</del>	3745
<del>common pleas,</del> the <u>municipal local</u> board of <u>appeal tax review</u> , and	3746
the opposing party. The notice of appeal shall be filed within	3747
sixty days after the day the appellant receives notice of the	3748
<del>decision final determination</del> issued under section 718.11 of the	3749
Revised Code. The notice of appeal may be filed in person or by	3750
certified mail, express mail, or authorized delivery service as	3751
provided in section 5703.056 of the Revised Code. If the notice of	3752
appeal is filed by certified mail, express mail, or authorized	3753
delivery service as provided in section 5703.056 of the Revised	3754
Code, the date of the United States postmark placed on the	3755
sender's receipt by the postal service or the date of receipt	3756
recorded by the authorized delivery service shall be treated as	3757
the date of filing. The notice of appeal shall have attached	3758

thereto and incorporated therein by reference a true copy of the 3759  
decision issued under section 718.11 of the Revised Code and shall 3760  
specify the errors therein complained of, but failure to attach a 3761  
copy of such notice and incorporate it by reference in the notice 3762  
of appeal does not invalidate the appeal. 3763

(C) Upon the filing of a notice of appeal with the board of 3764  
tax appeals, the municipal local board of appeal tax review shall 3765  
certify to the board of tax appeals a transcript of the record of 3766  
the proceedings before it, together with all evidence considered 3767  
by it in connection therewith. Such appeals may be heard by the 3768  
board at its office in Columbus or in the county where the 3769  
appellant resides, or it may cause its examiners to conduct such 3770  
hearings and to report to it their findings for affirmation or 3771  
rejection. The board may order the appeal to be heard upon the 3772  
record and the evidence certified to it by the tax administrator, 3773  
but upon the application of any interested party the board shall 3774  
order the hearing of additional evidence, and the board may make 3775  
such investigation concerning the appeal as it considers proper. 3776

(D) If an issue being appealed under this section is 3777  
addressed in a municipal corporation's ordinance or regulation, 3778  
the tax administrator, upon the request of the board of tax 3779  
appeals, shall provide a copy of the ordinance or regulation to 3780  
the board of tax appeals. 3781

**Sec. 5717.03.** (A) A decision of the board of tax appeals on 3782  
an appeal filed with it pursuant to section 5717.01, 5717.011, or 3783  
5717.02 of the Revised Code shall be entered of record on the 3784  
journal together with the date when the order is filed with the 3785  
secretary for journalization. 3786

(B) In case of an appeal from a decision of a county board of 3787  
revision, the board of tax appeals shall determine the taxable 3788  
value of the property whose valuation or assessment by the county 3789

board of revision is complained of, or in the event the complaint 3790  
and appeal is against a discriminatory valuation, shall determine 3791  
a valuation which shall correct such discrimination, and shall 3792  
determine the liability of the property for taxation, if that 3793  
question is in issue, and the board of tax appeals' decision and 3794  
the date when it was filed with the secretary for journalization 3795  
shall be sent by the board to all persons who were parties to the 3796  
appeal before the board, to the person in whose name the property 3797  
is listed, or sought to be listed, if such person is not a party 3798  
to the appeal, to the county auditor of the county in which the 3799  
property involved in the appeal is located, and to the tax 3800  
commissioner. 3801

In correcting a discriminatory valuation, the board of tax 3802  
appeals shall increase or decrease the value of the property whose 3803  
valuation or assessment by the county board of revision is 3804  
complained of by a per cent or amount which will cause such 3805  
property to be listed and valued for taxation by an equal and 3806  
uniform rule. 3807

(C) In the case of an appeal from a review, redetermination, 3808  
or correction of a tax assessment, valuation, determination, 3809  
finding, computation, or order of the tax commissioner, the order 3810  
of the board of tax appeals and the date of the entry thereof upon 3811  
its journal shall be sent by the board to all persons who were 3812  
parties to the appeal before the board, the person in whose name 3813  
the property is listed or sought to be listed, if the decision 3814  
determines the valuation or liability of property for taxation and 3815  
if such person is not a party to the appeal, the taxpayer or other 3816  
person to whom notice of the tax assessment, valuation, 3817  
determination, finding, computation, or order, or correction or 3818  
redetermination thereof, by the tax commissioner was by law 3819  
required to be given, the director of budget and management, if 3820  
the revenues affected by such decision would accrue primarily to 3821

the state treasury, and the county auditors of the counties to the	3822
undivided general tax funds of which the revenues affected by such	3823
decision would primarily accrue.	3824
(D) In the case of an appeal from a <u>municipal final</u>	3825
<u>determination of a local board of appeal tax review</u> created under	3826
section 718.11 of the Revised Code, the order of the board of tax	3827
appeals and the date of the entry thereof upon the board's journal	3828
shall be sent by the board to all persons who were parties to the	3829
appeal before the board.	3830
(E) In the case of all other appeals or applications filed	3831
with and determined by the board, the board's order and the date	3832
when the order was filed by the secretary for journalization shall	3833
be sent by the board to the person who is a party to such appeal	3834
or application, to such persons as the law requires, and to such	3835
other persons as the board deems proper.	3836
(F) The orders of the board may affirm, reverse, vacate,	3837
modify, or remand the tax assessments, valuations, determinations,	3838
findings, computations, or orders complained of in the appeals	3839
determined by the board, and the board's decision shall become	3840
final and conclusive for the current year unless reversed,	3841
vacated, or modified as provided in section 5717.04 of the Revised	3842
Code. When an order of the board becomes final the tax	3843
commissioner and all officers to whom such decision has been sent	3844
shall make the changes in their tax lists or other records which	3845
the decision requires.	3846
(G) If the board finds that issues not raised on the appeal	3847
are important to a determination of a controversy, the board may	3848
remand the cause for an administrative determination and the	3849
issuance of a new tax assessment, valuation, determination,	3850
finding, computation, or order, unless the parties stipulate to	3851
the determination of such other issues without remand. An order	3852
remanding the cause is a final order. If the order relates to any	3853

issue other than a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals in Franklin county. If the order relates to a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals for the county in which the municipal corporation in which the dispute arose is primarily situated.	3854 3855 3856 3857 3858 3859 3860
(H) At the request of any person that filed an appeal subject to this section, the decision or order of the board of tax appeals issued pursuant to division (B), (C), (D), or (E) of this section shall be sent by certified mail at the requestor's expense.	3861 3862 3863 3864
<b>Sec. 5739.12.</b> (A)(1) Each person who has or is required to have a vendor's license, on or before the twenty-third day of each month, shall make and file a return for the preceding month in the form prescribed by the tax commissioner, and shall pay the tax shown on the return to be due. The return shall be filed electronically using the Ohio business gateway, as defined in section <u>718.051</u> <u>718.01</u> of the Revised Code, the Ohio telefile system, or any other electronic means prescribed by the commissioner. Payment of the tax shown on the return to be due shall be made electronically in a manner approved by the commissioner. The commissioner may require a vendor that operates from multiple locations or has multiple vendor's licenses to report all tax liabilities on one consolidated return. The return shall show the amount of tax due from the vendor to the state for the period covered by the return and such other information as the commissioner deems necessary for the proper administration of this chapter. The commissioner may extend the time for making and filing returns and paying the tax, and may require that the return for the last month of any annual or semiannual period, as determined by the commissioner, be a reconciliation return detailing the vendor's sales activity for the preceding annual or	3865 3866 3867 3868 3869 3870 3871 3872 3873 3874 3875 3876 3877 3878 3879 3880 3881 3882 3883 3884 3885

semiannual period. The reconciliation return shall be filed by the 3886  
last day of the month following the last month of the annual or 3887  
semiannual period. The commissioner may remit all or any part of 3888  
amounts or penalties that may become due under this chapter and 3889  
may adopt rules relating thereto. Such return shall be filed 3890  
electronically as directed by the tax commissioner, and payment of 3891  
the amount of tax shown to be due thereon, after deduction of any 3892  
discount provided for under this section, shall be made 3893  
electronically in a manner approved by the tax commissioner. 3894

(2) Any person required to file returns and make payments 3895  
electronically under division (A)(1) of this section may apply to 3896  
the tax commissioner on a form prescribed by the commissioner to 3897  
be excused from that requirement. For good cause shown, the 3898  
commissioner may excuse the person from that requirement and may 3899  
permit the person to file the returns and make the payments 3900  
required by this section by nonelectronic means. 3901

(B)(1) If the return is filed and the amount of tax shown 3902  
thereon to be due is paid on or before the date such return is 3903  
required to be filed, the vendor shall be entitled to a discount 3904  
of three-fourths of one per cent of the amount shown to be due on 3905  
the return. 3906

(2) A vendor that has selected a certified service provider 3907  
as its agent shall not be entitled to the discount if the 3908  
certified service provider receives a monetary allowance pursuant 3909  
to section 5739.06 of the Revised Code for performing the vendor's 3910  
sales and use tax functions in this state. Amounts paid to the 3911  
clerk of courts pursuant to section 4505.06 of the Revised Code 3912  
shall be subject to the applicable discount. The discount shall be 3913  
in consideration for prompt payment to the clerk of courts and for 3914  
other services performed by the vendor in the collection of the 3915  
tax. 3916

(C)(1) Upon application to the tax commissioner, a vendor who 3917

is required to file monthly returns may be relieved of the 3918  
requirement to report and pay the actual tax due, provided that 3919  
the vendor agrees to remit to the commissioner payment of not less 3920  
than an amount determined by the commissioner to be the average 3921  
monthly tax liability of the vendor, based upon a review of the 3922  
returns or other information pertaining to such vendor for a 3923  
period of not less than six months nor more than two years 3924  
immediately preceding the filing of the application. Vendors who 3925  
agree to the above conditions shall make and file an annual or 3926  
semiannual reconciliation return, as prescribed by the 3927  
commissioner. The reconciliation return shall be filed 3928  
electronically as directed by the tax commissioner, and payment of 3929  
the amount of tax shown to be due thereon, after deduction of any 3930  
discount provided in this section, shall be made electronically in 3931  
a manner approved by the commissioner. Failure of a vendor to 3932  
comply with any of the above conditions may result in immediate 3933  
reinstatement of the requirement of reporting and paying the 3934  
actual tax liability on each monthly return, and the commissioner 3935  
may at the commissioner's discretion deny the vendor the right to 3936  
report and pay based upon the average monthly liability for a 3937  
period not to exceed two years. The amount ascertained by the 3938  
commissioner to be the average monthly tax liability of a vendor 3939  
may be adjusted, based upon a review of the returns or other 3940  
information pertaining to the vendor for a period of not less than 3941  
six months nor more than two years preceding such adjustment. 3942

(2) The commissioner may authorize vendors whose tax 3943  
liability is not such as to merit monthly returns, as ascertained 3944  
by the commissioner upon the basis of administrative costs to the 3945  
state, to make and file returns at less frequent intervals. When 3946  
returns are filed at less frequent intervals in accordance with 3947  
such authorization, the vendor shall be allowed the discount 3948  
provided in this section in consideration for prompt payment with 3949  
the return, provided the return is filed and payment is made of 3950

the amount of tax shown to be due thereon, at the time specified by the commissioner, but a vendor that has selected a certified service provider as its agent shall not be entitled to the discount.	3951 3952 3953 3954
(D) Any vendor who fails to file a return or to pay the full amount of the tax shown on the return to be due in the manner prescribed under this section and the rules of the commissioner may, for each such return, be required to forfeit and pay into the state treasury an additional charge not exceeding fifty dollars or ten per cent of the tax required to be paid for the reporting period, whichever is greater, as revenue arising from the tax imposed by this chapter, and such sum may be collected by assessment in the manner provided in section 5739.13 of the Revised Code. The commissioner may remit all or a portion of the additional charge and may adopt rules relating to the imposition and remission of the additional charge.	3955 3956 3957 3958 3959 3960 3961 3962 3963 3964 3965 3966
(E) If the amount required to be collected by a vendor from consumers is in excess of the applicable percentage of the vendor's receipts from sales that are taxable under section 5739.02 of the Revised Code, or in the case of sales subject to a tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, in excess of the percentage equal to the aggregate rate of such taxes and the tax levied by section 5739.02 of the Revised Code, such excess shall be remitted along with the remittance of the amount of tax due under section 5739.10 of the Revised Code.	3967 3968 3969 3970 3971 3972 3973 3974 3975 3976
(F) The commissioner, if the commissioner deems it necessary in order to insure the payment of the tax imposed by this chapter, may require returns and payments to be made for other than monthly periods.	3977 3978 3979 3980
(G) Any vendor required to file a return and pay the tax under this section whose total payment for a year equals or	3981 3982

exceeds the amount shown in division (A) of section 5739.122 of 3983  
the Revised Code is subject to the accelerated tax payment 3984  
requirements in divisions (B) and (C) of that section. For a 3985  
vendor that operates from multiple locations or has multiple 3986  
vendor's licenses, in determining whether the vendor's total 3987  
payment equals or exceeds the amount shown in division (A) of that 3988  
section, the vendor's total payment amount shall be the amount of 3989  
the vendor's total tax liability for the previous calendar year 3990  
for all of the vendor's locations or licenses. 3991

**Sec. 5739.124.** (A) If required by the tax commissioner, a 3992  
permit holder required to make payments under section 5739.032 of 3993  
the Revised Code shall file all returns and reports 3994  
electronically. The commissioner may require the permit holder to 3995  
use the Ohio business gateway, as defined in section ~~718.051~~ 3996  
718.01 of the Revised Code, or any other electronic means approved 3997  
by the commissioner, to file the returns and reports, or to remit 3998  
the tax, in lieu of the manner prescribed under section 5739.032 3999  
of the Revised Code. 4000

(B) A person required under this section to file reports and 4001  
returns electronically may apply to the tax commissioner to be 4002  
excused from that requirement. Applications shall be made on a 4003  
form prescribed by the commissioner. The commissioner may approve 4004  
the application for good cause. 4005

(C)(1) If a person required to file a report or return 4006  
electronically under this section fails to do so, the tax 4007  
commissioner may impose an additional charge not to exceed the 4008  
following: 4009

- (a) For each of the first two failures, five per cent of the 4010  
amount required to be reported on the report or return; 4011
- (b) For the third and any subsequent failure, ten per cent of 4012  
the amount required to be reported on the report or return. 4013

(2) The charges authorized under division (C)(1) of this section are in addition to any other charge or penalty authorized under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.	4014 4015 4016 4017 4018 4019 4020 4021
<b>Sec. 5741.122.</b> (A) If required by the tax commissioner, a person required to make payments under section 5741.121 of the Revised Code shall file all returns and reports electronically. The commissioner may require the person to use the Ohio business gateway, as defined in section <del>718.051</del> <u>718.01</u> of the Revised Code, or any other electronic means approved by the commissioner, to file the returns and reports, or to remit the tax, in lieu of the manner prescribed under section 5741.121 of the Revised Code.	4022 4023 4024 4025 4026 4027 4028 4029
(B) A person required under this section to file reports and returns electronically may apply to the tax commissioner to be excused from that requirement. Applications shall be made on a form prescribed by the commissioner. The commissioner may approve the application for good cause.	4030 4031 4032 4033 4034
(C)(1) If a person required to file a report or return electronically under this section fails to do so, the tax commissioner may impose an additional charge not to exceed the following:	4035 4036 4037 4038
(a) For each of the first two failures, five per cent of the amount required to be reported on the report or return;	4039 4040
(b) For the third and any subsequent failure, ten per cent of the amount required to be reported on the report or return.	4041 4042
(2) The charges authorized under division (C)(1) of this	4043

section are in addition to any other charge or penalty authorized 4044  
under this chapter, and shall be considered as revenue arising 4045  
from taxes imposed under this chapter. An additional charge may be 4046  
collected by assessment in the manner prescribed by section 4047  
5741.13 of the Revised Code. The commissioner may waive all or a 4048  
portion of such a charge and may adopt rules governing such 4049  
waiver. 4050

**Sec. 5747.063.** (A)(1) If a person's winnings at a casino 4051  
facility are an amount for which reporting to the internal revenue 4052  
service of the amount is required by section 6041 of the Internal 4053  
Revenue Code, as amended, the casino operator shall deduct and 4054  
withhold Ohio income tax from the person's winnings at a rate of 4055  
four per cent of the amount won ~~and shall deduct and withhold~~ 4056  
~~municipal income tax from the person's winnings at the rate of tax~~ 4057  
~~of the municipal corporation in which the casino facility is~~ 4058  
~~located.~~ A person's amount of winnings shall be determined each 4059  
time the person exchanges amounts won in tokens, chips, casino 4060  
credit, or other prepaid representations of value for cash or a 4061  
cash equivalent. The casino operator shall issue, to a person from 4062  
whose winnings an amount has been deducted and withheld, a receipt 4063  
for the amount deducted and withheld, and also shall obtain from 4064  
the person additional information that will be necessary for the 4065  
casino operator to prepare the returns required by this section. 4066

(2) If a person's winnings at a casino facility require 4067  
reporting to the internal revenue service under division (A)(1) of 4068  
this section, the casino operator also shall require the person to 4069  
state in writing, under penalty of falsification, whether the 4070  
person is in default under a support order. 4071

(B) Amounts deducted and withheld by a casino operator are 4072  
held in trust for the benefit of the state ~~and municipal~~ 4073  
~~corporations, as applicable.~~ 4074

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> identifying the persons from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax commissioner. With the return, the casino operator shall remit electronically to the commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> all the amounts deducted and withheld during the preceding month.	4075 4076 4077 4078 4079 4080 4081 4082 4083 4084 4085 4086 4087
(2)(a) A casino operator shall maintain a record of each written statement provided under division (A)(2) of this section in which a person admits to being in default under a support order. The casino operator shall make these records available to the director of job and family services upon request.	4088 4089 4090 4091 4092
(b) A casino operator shall maintain copies of receipts issued under division (A)(1) of this section and of written statements provided under division (A)(2) of this section and shall make these copies available to the tax commissioner upon request.	4093 4094 4095 4096 4097
(c) A casino operator shall maintain the information described in divisions (B)(2)(a) and (b) of this section in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.	4098 4099 4100 4101
(3) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> indicating the total amount deducted and withheld during the preceding calendar year. The casino	4102 4103 4104 4105 4106

operator shall remit electronically with the annual return any 4107  
amount that was deducted and withheld and that was not previously 4108  
remitted. If the identity of a person and the amount deducted and 4109  
withheld with respect to that person were omitted on a monthly 4110  
return, that information shall be indicated on the annual return. 4111

(4)(a) A casino operator who fails to file a return and remit 4112  
the amounts deducted and withheld is personally liable for the 4113  
amount deducted and withheld and not remitted. The commissioner 4114  
~~and the tax administrator of the municipal corporation, as~~ 4115  
~~applicable,~~ may impose a penalty up to one thousand dollars if a 4116  
return is filed late, if amounts deducted and withheld are 4117  
remitted late, if a return is not filed, or if amounts deducted 4118  
and withheld are not remitted. Interest accrues on past due 4119  
amounts deducted and withheld at the rate prescribed in section 4120  
5703.47 of the Revised Code. The commissioner ~~and the tax~~ 4121  
~~administrator of the municipal corporation, as applicable,~~ may 4122  
collect past due amounts deducted and withheld and penalties and 4123  
interest thereon by assessment under section 5747.13 of the 4124  
Revised Code as if they were income taxes collected by an 4125  
employer. 4126

(b) If a casino operator sells the casino facility or 4127  
otherwise quits the casino business, the amounts deducted and 4128  
withheld and any penalties and interest thereon are immediately 4129  
due and payable. The successor shall withhold an amount of the 4130  
purchase money that is sufficient to cover the amounts deducted 4131  
and withheld and penalties and interest thereon until the 4132  
predecessor casino operator produces either a receipt from the 4133  
commissioner ~~and the tax administrator of the municipal~~ 4134  
~~corporation, as applicable,~~ showing that the amounts deducted and 4135  
withheld and penalties and interest thereon have been paid or a 4136  
certificate from the commissioner ~~and the tax administrator of the~~ 4137  
~~municipal corporation, as applicable,~~ indicating that no amounts 4138

deducted and withheld or penalties and interest thereon are due.	4139
If the successor fails to withhold purchase money, the successor is personally liable for payment of the amounts deducted and withheld and penalties and interest thereon, up to the amount of	4140
the purchase money.	4141
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(C)(1) Annually, on or before the thirty-first day of January, a casino operator shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount deducted from the person's winnings by the casino operator during the preceding calendar year.	4144
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(2) Annually, on or before the thirty-first day of January, a casino operator shall provide to the commissioner a copy of each information return issued under division (C)(1) of this section for the preceding calendar year. The commissioner may require that the copies be transmitted electronically.	4151
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(D) Amounts deducted and withheld shall be allowed as a credit against payment of the tax imposed by section 5747.02 of the Revised Code and shall be treated as taxes paid for purposes of section 5747.09 of the Revised Code. This division applies only to the person for whom the amount is deducted and withheld.	4156
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(E) The failure of a casino operator to deduct and withhold the required amount from a person's winnings does not relieve the person from liability for the tax imposed by section 5747.02 of the Revised Code with respect to those winnings. And compliance with this section does not relieve a casino operator or a person who has winnings at a casino facility from compliance with relevant provisions of federal tax laws.	4161
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(F) The commissioner <del>and the tax administrator of the</del> <del>municipal corporation, as applicable,</del> shall prescribe the form of	4168
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the receipt and returns required by this section. The director of job and family services shall prescribe the form of the statement required by this section. 4170  
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(G) The commissioner may adopt rules that are necessary to administer this section. 4173  
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**Sec. 5747.064.** (A) As used in this section, "video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code. 4175  
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(B) If a person's prize award from a video lottery terminal is an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the lottery sales agent shall deduct and withhold Ohio income tax from the person's prize award at a rate of four per cent of the amount won ~~and shall deduct and withhold municipal income tax from the person's winnings at the rate of tax of the municipal corporation in which the video lottery terminal facility is located.~~ The lottery sales agent shall issue, to a person from whose prize award an amount has been deducted or withheld, a receipt for the amount deducted and withheld, and also shall obtain from the person additional information that will be necessary for the lottery sales agent to prepare the returns required by this section. 4178  
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(C) Amounts deducted and withheld by a lottery sales agent are held in trust for the benefit of the state ~~and municipal corporations, as applicable.~~ 4192  
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(1) On or before the tenth day of each month, the lottery sales agent shall file a return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ identifying the persons from whose prize awards amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding month, 4195  
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the amount of the prize award from which each such amount was 4201  
withheld, and any other information required by the commissioner 4202  
~~and the tax administrator of the municipal corporation, as~~ 4203  
~~applicable.~~ With the return, the lottery sales agent shall remit 4204  
electronically to the commissioner ~~and the tax administrator of~~ 4205  
~~the municipal corporation, as applicable,~~ all the amounts deducted 4206  
and withheld during the preceding month. 4207

(2) A lottery sales agent shall maintain a record of all 4208  
receipts issued under division (B) of this section and shall make 4209  
those records available to the commissioner ~~and the tax~~ 4210  
~~administrator of the municipal corporation, as applicable,~~ upon 4211  
request. Such records shall be maintained in accordance with 4212  
section 5747.17 of the Revised Code and any rules adopted pursuant 4213  
thereto. 4214

(3) Annually, on or before the thirty-first day of January, a 4215  
lottery sales agent shall file an annual return electronically 4216  
with the tax commissioner ~~and the tax administrator of the~~ 4217  
~~municipal corporation, as applicable,~~ indicating the total amount 4218  
deducted and withheld during the preceding calendar year. The 4219  
lottery sales agent shall remit electronically with the annual 4220  
return any amount that was deducted and withheld and that was not 4221  
previously remitted. If the identity of a person and the amount 4222  
deducted and withheld with respect to that person were omitted on 4223  
a monthly return, that information shall be indicated on the 4224  
annual return. 4225

(4)(a) A lottery sales agent who fails to file a return and 4226  
remit the amounts deducted and withheld is personally liable for 4227  
the amount deducted and withheld and not remitted. The 4228  
~~commissioner and the tax administrator of the municipal~~ 4229  
~~corporation, as applicable,~~ may impose a penalty of up to one 4230  
thousand dollars if a return is filed late, if amounts deducted 4231  
and withheld are remitted late, if a return is not filed, or if 4232

amounts deducted and withheld are not remitted. Interest accrues 4233  
on past due amounts deducted and withheld at the rate prescribed 4234  
in section 5703.47 of the Revised Code. The commissioner ~~and the~~ 4235  
~~tax administrator of the municipal corporation, as applicable,~~ may 4236  
collect past due amounts deducted and withheld and penalties and 4237  
interest thereon by assessment under section 5747.13 of the 4238  
Revised Code as if they were income taxes collected by an 4239  
employer. 4240

(b) If a lottery sales agent ceases to operate video lottery 4241  
terminals, the amounts deducted and withheld and any penalties and 4242  
interest thereon are immediately due and payable. A successor of 4243  
the lottery sales agent that purchases the video lottery terminals 4244  
from the agent shall withhold an amount of the purchase money that 4245  
is sufficient to cover the amounts deducted and withheld and 4246  
penalties and interest thereon until the predecessor lottery sales 4247  
agent produces either a receipt from the tax commissioner ~~and the~~ 4248  
~~tax administrator of the municipal corporation, as applicable,~~ 4249  
showing that the amounts deducted and withheld and penalties and 4250  
interest thereon have been paid or a certificate from the 4251  
commissioner ~~and the tax administrator of the municipal~~ 4252  
~~corporation, as applicable,~~ indicating that no amounts deducted 4253  
and withheld or penalties and interest thereon are due. If the 4254  
successor fails to withhold purchase money, the successor is 4255  
personally liable for payment of the amounts deducted and withheld 4256  
and penalties and interest thereon, up to the amount of the 4257  
purchase money. 4258

(D)(1) Annually, on or before the thirty-first day of 4259  
January, a lottery sales agent shall issue an information return 4260  
to each person with respect to whom an amount has been deducted 4261  
and withheld during the preceding calendar year. The information 4262  
return shall show the total amount deducted from the person's 4263  
prize award by the lottery sales agent during the preceding year. 4264

(2) Annually, on or before the thirty-first day of January, a lottery sales agent shall provide to the tax commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> a copy of each information return issued under division (D)(1) of this section for the preceding calendar year. The commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> may require that such copies be transmitted electronically.	4265 4266 4267 4268 4269 4270 4271
(E) Amounts deducted and withheld shall be allowed as a credit against payment of the tax imposed by section 5747.02 of the Revised Code and shall be treated as taxes paid for purposes of section 5747.09 of the Revised Code. This division applies only to the person for whom the amount is deducted and withheld.	4272 4273 4274 4275 4276
(F) The failure of a lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve the person from liability for the tax imposed by section 5747.02 of the Revised Code with respect to that income. Compliance with this section does not relieve a lottery sales agent or a person who has a prize award from compliance with relevant provisions of federal tax laws.	4277 4278 4279 4280 4281 4282 4283
(G) The commissioner <del>and the tax administrator of the municipal corporation, as applicable,</del> shall prescribe the form of the receipt and returns required by this section and the commissioner may promulgate any rules necessary to administer the section.	4284 4285 4286 4287 4288
<b>Sec. 5751.07.</b> (A) Any person required to file returns for a calendar quarter shall remit each tax payment, and, if required by the tax commissioner, file the tax return or the annual report, electronically. The commissioner may require taxpayers to use the Ohio business gateway as defined in section <del>718.051</del> <u>718.01</u> of the Revised Code to file returns and remit the tax, or may provide another means for taxpayers to file and remit the tax	4289 4290 4291 4292 4293 4294 4295

electronically.	4296
(B) A person required by this section to remit taxes or file returns electronically may apply to the tax commissioner, on the form prescribed by the commissioner, to be excused from that requirement. The commissioner may excuse a person from the requirements of this division for good cause.	4297 4298 4299 4300 4301
(C)(1) If a person required to remit taxes or file a return electronically under this section fails to do so, the commissioner may impose a penalty not to exceed the following:	4302 4303 4304
(a) For either of the first two calendar quarters the person so fails, five per cent of the amount of the payment that was required to be remitted;	4305 4306 4307
(b) For the third and any subsequent calendar quarters the person so fails, ten per cent of the amount of the payment that was required to be remitted.	4308 4309 4310
(2) The penalty imposed under division (C)(1) of this section is in addition to any other penalty imposed under this chapter and shall be considered as revenue arising from the tax imposed under this chapter. A penalty may be collected by assessment in the manner prescribed by section 5751.09 of the Revised Code. The tax commissioner may abate all or a portion of such a penalty.	4311 4312 4313 4314 4315 4316
<b>Section 2.</b> That existing sections 715.013, 718.02, 718.03, 718.04, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, and 5751.07 and sections 718.01, 718.011, 718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised Code are hereby repealed.	4317 4318 4319 4320 4321 4322
<b>Section 3.</b> This act is effective for municipal taxable years beginning on or after January 1, 2015. For municipal taxable years	4323 4324

beginning before January 1, 2015, tax administrators may continue 4325  
to administer, audit, and enforce the income tax of a municipal 4326  
corporation under Chapter 718. and ordinances and resolutions of 4327  
the municipal corporation as that chapter and those ordinances and 4328  
resolutions existed before January 1, 2015. 4329

**Section 4.** If the Municipal Tax Policy Board does not, as 4330  
charged under section 718.42 of the Revised Code, create and 4331  
furnish the forms, reports, schedules, and attachments required to 4332  
be filed under Chapter 718. of the Revised Code before January 1, 4333  
2015, each tax administrator shall create required forms, reports, 4334  
schedules, and attachments and furnish the documents for use with 4335  
the tax administrator until the Municipal Tax Policy Board creates 4336  
and furnishes the necessary documents. 4337

**Section 5.** Notwithstanding Section 3 of this act, the 4338  
governor shall make initial appointments to the Municipal Tax 4339  
Policy Board not later than fifteen days after the effective date 4340  
of this act. 4341