

130th General Assembly
Regular Session
2013-2014

Sub. H. B. No. 5

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

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

- (1) Amounts received for admission to any place;
- (2) The income of an electric company or combined company, as defined in section 5727.01 of the Revised Code;
- (3) On and after January 1, 2004, the income of a telephone company, as defined in section 5727.01 of the Revised Code.

Sec. 718.01. Any term used in this chapter that is not otherwise defined in this chapter has the same meaning as when used in a comparable context in laws of the United States relating to federal income taxation or in Title LVII of the Revised Code, unless a different meaning is clearly required. If a term used in this chapter that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall control over the use of the term in Title LVII of the Revised Code.

As used in this chapter:

(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 situated 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.

(B) "Income" means the following:

(1)(a) For residents, **except as provided in division (B)(1)(b) of this section,** 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 an **owner of partner in** a pass-through entity shall not be allowed as a deduction against any ~~other~~ source of income other than **distributive share income to the extent that such losses were incurred from the same pass-through entity.** ~~the income described in division (B)(1)(a) of this section.~~

(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.

(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:

(a) The nonresident's distributive share of the net profit of pass-through entities owned, directly or indirectly, by the nonresident. ~~, but a~~ Any losses reflected on a taxpayer's federal tax return from an investment as **an owner of 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 **from the same pass-through entity; and**

(b) Any net profit of the nonresident.

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

(4) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards. **If the taxpayer is considered a professional gambler for federal income tax purposes, the taxpayer may deduct, minus any related wagering losses-deductions to the extent** authorized under the Internal Revenue Code and claimed against such winnings.

(C) "Exempt income" means all of the following:

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2)(a) Except as provided in division (C)(2)(b) of this section, intangible income;

(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

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

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

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

(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(7) Alimony and child support received;

(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;

(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 purposes of Chapter 5745. of the Revised Code.

(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;

(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;

(12) Employee compensation that is not qualifying wages;

(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.

(14) For an individual under eighteen years of age, all income except qualifying wages;

~~(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.~~

~~(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.~~

~~(c) The exemption provided in division (C)(15)(a) of this section does not apply for the municipal corporation in which the 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.~~

(15 +6) Income the taxation of which is prohibited by the constitution or laws of the United States.

(D)(1) "Net profit" for a person other than an individual means adjusted federal taxable income.

(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 division ~~s~~ (E)(8) ~~and (9)~~ of this section.

(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.

(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.

(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:

(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

(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;

(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;

(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;

(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.

(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

(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;

(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 transferred under that agreement under section 4313.02 of the Revised Code;

(8)(a) Deduct any net operating loss incurred in a taxable year beginning before January 1, 2015, to the extent permitted by resolution or ordinance of a municipal corporation adopted prior to January 1, 2014. Any deduction taken under division (E)(8)(a) 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. 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 sitused 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.

(b) Deduct any net operating loss incurred in a taxable year subsequent to January 1, 2015, to the extent permitted by resolution or ordinance of a municipal corporation adopted prior to January 1, 2015, if the net operating loss carryforward permitted is zero, one, three or five years. Any deduction taken under division (E)(8)(b) of this section may be carried forward to any taxable year, including taxable years beginning in 2016 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.

For purposes of division (E)(8)(b), the legislative authority of a municipal corporation that imposes a tax on income by resolution or ordinance adopted prior to January 1, 2014, and permits a net operating loss carryforward other than zero, one, three or five years shall, no later than December 31, 2014, amend the net operating loss carryforward permitted by rounding down to the nearest net operating loss carryforward of zero, one, three or five years.

(c) The legislative authority of any municipal corporation that does not impose and levy a tax on income on or before December 31, 2014, but that imposes and levies such a tax after that date, shall permit net operating losses to be carried forward for the five consecutive taxable years after the taxable year in which the net operating loss occurred or until fully utilized, whichever is earlier. Division (E)(8)(c) shall not apply to Joint Economic Development Zones and Joint Economic Development Districts created on or after January 1, 2015, by contract entered into under sections 715.69 through 715.82 of the Revised Code if one of the municipal corporations that is a party to such contract imposes and levies a tax on income on or before December 31, 2014.

(d) For purposes of division (E)(8), the amount of the net operating loss as apportioned and sitused 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 the a designated carryforward over period as provided by the municipal corporation's resolution or ordinance, 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.

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

(e)(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.

(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.

(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.

(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.

(v) For taxable years beginning after 2019 and thereafter, a taxpayer may deduct the full amount allowed by division (E)(8)(a) of this section.

(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.

(c) 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.

(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.

(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.

(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.

If the taxpayer is not a C corporation, is not a single member limited liability company that is treated as a disregarded entity for federal income tax purposes, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except

guaranteed payments and other similar amounts paid or accrued to a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense; amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

Nothing in division (E) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax. Nothing in division (E) of this section shall be construed as allowing the owner of a pass-through entity to utilize any current year net operating loss or net operating loss carryforward of such pass-through entity to offset **any source of income other than distributive share income to the extent the losses were incurred from the same pass-through entity as provided in (B)(1)(a) and (B)(2)(a).** ~~the net profit or wages of the owner~~

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

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

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

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

(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 **as determined under section 718.012 of the Revised Code.**

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

(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.

(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:

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

(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.

(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.

(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 member.

(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.

(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.

(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.

(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.

(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.

(P) "Single member limited liability company" means a limited liability company that ~~has one direct owner and~~ is treated as a disregarded entity for federal income tax purposes.

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

(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:

(1) Deduct the following amounts:

(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.

(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.

(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.

(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.

(2) Add the following amounts:

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

(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.

(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.

(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.

(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.

(f) Any amount not included in wages if all of the following apply:

(i) For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for federal income tax purposes;

(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;

(iii) For no succeeding taxable year will the amount constitute wages; and

(iv) For any taxable year the amount has not otherwise been 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.

(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.

(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.

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

(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:

(1) A municipal corporation acting as the agent of another municipal corporation;

(2) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;

(3) The **C**entral **C**ollection **A**gency or the **R**egional **I**ncome **T**ax **A**gency or their successors in interest, or another entity organized to perform functions similar to those performed by the **C**entral **C**ollection **A**gency and the **R**egional **I**ncome **T**ax **A**gency. ~~-, if, in any case, the agency or entity administers municipal income taxes on behalf of at least thirty-one municipal corporations.~~

(V) "Employer" means a person that is an employer for federal income tax purposes.

(W) "Employee" means an individual who is an employee for federal income tax purposes.

(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.

(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.

(Z) "Form 4797" means internal revenue service form 4797 filed by a taxpayer pursuant to the Internal Revenue Code.

(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.

(BB) "Pensions" and "retirement benefits," for purposes of this chapter, and for any municipal ordinance imposing a tax on income subject to the provisions of Chapter 718, mean any payments made to a taxpayer, to the estate of a taxpayer, or to the taxpayer's beneficiary, which are required to be reported on Internal Revenue Form 1099-R, or its equivalent or successor form. "Pensions" and "retirement benefits" do not include any amounts which are not required to be reported on Internal Revenue Form 1099-R, or its equivalent or successor form.

~~"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 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.~~

~~(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.~~

(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.

(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.

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

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

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

~~(HH H)~~ "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.

~~(II H)~~ "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.

~~(JJ KK)~~ "Postal service" means the United States postal service.

~~(KK H)~~ "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.

~~(LL 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.

~~(MM 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.

~~(NN ΘΘ)~~ "Related entity" means any of the following:

(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;

(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 least fifty per cent of the value of the taxpayer's outstanding stock;

(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 ~~(NN ΘΘ)~~(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;

(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 ~~(NN ΘΘ)~~(1) to (3) of this section have been met.

~~(OO PP)(1) "Written determination by the tax administrator Assessment" means a written ruling finding by the tax administrator in response to a written request by a taxpayer regarding the taxpayer's that a person has underpaid municipal income tax liability, including tax, or owes penalty and/or interest, or any combination thereof, 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.~~

~~(2) "Written determination by the tax administrator Assessment" also includes a tax administrator's written ruling denying, in whole or in part, of a taxpayer's refund request on a timely filed amended return. qualified refund claim.~~

~~(3) "Written determination by the tax administrator 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, billing statements notifying a taxpayer of then-current or past due balances due and owing to the municipal corporation, a tax administrator's request for additional information, notifications of mathematical errors or a tax administrator's other 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.~~

~~(QQ) "Qualified refund claim" means a refund claim made on a timely filed amended tax return.~~

Sec. 718.011. (A) As used in this section:

(1) "Employer" includes a person that is a related member to or of an employer.

(2) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration.

(3) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis.

(4) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis.

(5) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer.

(6) "Worksite location" means a construction site or **other** temporary worksite in this state at which the employer, **or the general contractor of the employer**, provides services for more than twenty days during the calendar year. "Worksite location" does not include the home of an employee.

(7) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of **work business**" means the worksite location to which the employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location, "principal place of work" 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.

(B)(1) Subject to divisions (C), **and (E) and (F)** 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:

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

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

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

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

(a) Traveling to the location at which the employee will first perform services for the employer for the day;

(b) Traveling from a location at which the employee was performing services for the employer to any other location;

(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;

(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;

(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.

(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. **Tax withheld and paid to the municipal corporation in which the employee's principal place of work is located is not refundable to the employee.**

(D) If, during a calendar year, the number of days an 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 **from the first 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.

(E) Without regard to the number of days in a calendar year that an employee may perform personal services in any municipal corporation, an employer shall withhold and remit municipal income tax on all of the qualifying wages of an employee in the fixed location if both of the following apply:

(1) The employer has only one fixed location in the State of Ohio in a municipal corporation that imposes and levies a municipal income tax; and

(2) The employer's total gross receipts in the prior taxable year were less than \$150,000.00.

~~(F)~~ 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.

~~(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.~~

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

~~(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 situated to a municipal corporation in a manner that is consistent with the method for siting the professional athlete's income to the municipal corporation under division (F)(2) of this section.~~

718.012. (A)(1) As used in this chapter “domicile” means a principal residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent intends to return. An individual is domiciled in a municipal corporation for the entire year or for a portion of a year if, based upon the factors set forth in division (B) of this section and based upon any other factor or factors which the tax administrator deems relevant and which serve to demonstrate an intent to return, the tax administrator reasonably concludes that the individual is domiciled in the municipal corporation for the entire year or for a portion of a year.

(2) An individual can rebut the conclusion described in division (A)(1) of this section only if the individual establishes by a preponderance of the evidence that the administrator, based upon the factors set forth in division (B) of this section and based upon any other factor or factors which the tax administrator deemed relevant to demonstrate an intent to return, unreasonably concluded that the individual is domiciled in the municipal corporation for the entire year or for a portion of a year.

(B) The factors a tax administrator may consider in determining an individual’s domicile include, but are not limited to, the following:

(1) The location of law and/or accounting firms, health care providers and similar professionals utilized by the individual or the individual’s spouse.

(2) The location of organizations described in section 501(c) of the Internal Revenue Code, to which the individual or the individual’s spouse makes contributions or other payments or in which they participate as a congregant, member, board member, committee member, adviser or consultant.

(3) The location, place of business, or place of organization or incorporation of a corporation, partnership, limited liability company, other business entity or venture in which the individual or the individual’s spouse is a shareholder, limited partner or holds board membership.

(4) The location of the individual’s friends, dependents as defined in section 152 of the Internal Revenue Code, and family members other than his or her spouse.

(5) The location of educational institutions attended by the individual’s dependents as defined in section 152 of the Internal Revenue Code or from which a claimed benefit of in-state tuition rates available only to those who are domiciled in Ohio was taken.

(6) The location of a business at which the individual or the individual's spouse makes purchases of tangible personal property.

(7) The individual's having voted within the municipal corporation, or maintaining voter registration within the municipal corporation, during the year or years at issue.

(8) The individual's acquiring, maintaining or renewing an Ohio driver's license and/or the location of the individual's vehicle registration during the year or years at issue.

(9) The place of employment of the individual or the individual's spouse.

(10) The location of any and all real property owned or leased by the individual or the individual's spouse.

(11) The address used by the individual or the individual's spouse on federal and/or state tax returns, bills, invoices, credit card statements, utility bills and other mailings for the year or years at issue.

(C) For purposes of this section "spouse" includes an individual to whom the taxpayer is not married but who is receiving health care benefits, retirement benefits, disability benefits, or any combination of these benefits if the dollar amount of any of these benefits are the same as the dollar amount of any of these benefits which the individual would receive if the individual were, in fact, married to the taxpayer for the year.

(D) Notwithstanding any other provision of this section to the contrary, a taxpayer has only one domicile, but may have more than one residence. A domicile once acquired is presumed to continue until it is shown to have been changed. Intention to change domicile will not effect such a change unless accompanied by actual removal. Where a change of domicile is alleged, the burden of proof rests upon the taxpayer making the allegation as provided in (A)(2) of this section.

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.

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

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

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

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

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

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

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

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

~~(2) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;~~

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

~~(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:~~

~~(a) Separate accounting;~~

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

~~(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;~~

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

(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.

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 **not** use an alternative apportionment method, **an alternate method of accounting or an alternate method of filing (i.e., single or consolidated)** on a timely filed amended tax return ~~or in a timely filed appeal of an assessment~~ without the prior approval of the tax **administrator. 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 718.18 of the Revised Code.~~

(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 **subsequent 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 **subsequent other** taxable years.

(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:

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

(a) The employer;

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

(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.

(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;

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

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

(1) Gross receipts from the sale of tangible personal property shall be situated to the municipal corporation in which the sale originated, including: ~~if the property is received in the municipal corporation by the purchaser. In the case of delivery of tangible personal property by common carrier or by other means of transportation, the place at which title to such property is transferred to the buyer shall be considered the place where the purchaser receives the property.~~

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

(b) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;

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

(2) Gross receipts from the sale of services shall be situated to the municipal corporation to the extent that such services are performed in the municipal corporation.

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

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the municipal corporation shall be situated to the municipal corporation.

(5) Gross receipts from rents and royalties from tangible personal property shall be situated to the municipal corporation based upon the extent to which the tangible personal property is used in the municipal corporation.

(E) Net profit from rental activity not constituting a business or profession shall be subject to tax only by the municipal corporation in which the property generating the net profit is located. **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.**

(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.

(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. This division applies solely for the purpose of making an adjustment to the amount of a taxpayer's net profit that was apportioned to a municipal corporation under divisions (A) and (B) of this section.~~

A municipal corporation shall allow taxpayers to elect to use separate accounting for the purpose of calculating net profit situated to the municipal corporation under this division, but shall permit such an election only if the taxpayer requests to 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.

(F) 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 (C)(12) of section 718.01 of the Revised Code and division (R)(1)(d) of section 718.01 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.

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.

~~(G F)(1) Except as provided in division (G)(2), commissions received by a real estate agent or broker relating to the sale, purchase or lease of real estate shall be situated to the municipal corporation in which the real estate is located. Net profit reported by the relating to the sales and commissions of a real estate agent or broker shall be allocated situated to a municipal corporation based upon the ratio of the commissions the agent or broker received from the sales, purchase or lease of real estate located in the municipal corporation to the commissions received from the sales, purchase or lease of real estate everywhere in the taxable year.~~

(2) An individual who is a resident of a municipal corporation which imposes a municipal income tax shall report the net profit from all real estate activity on an annual income tax return. Credit for tax paid for real estate activity within another municipal taxing jurisdiction shall be subject to the resident municipality's ordinances or rules and regulations regarding the allowance of such credit.

~~(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 situated 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.~~

~~(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.~~

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

~~(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.~~

~~(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:~~

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

~~(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;~~

~~(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.~~

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

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

~~(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.~~

~~(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.~~

~~(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.~~

~~(c) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and has, by resolution or ordinance, been exempted from taxation by the municipal corporation.~~

~~(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.~~

~~(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.~~

~~(C) Each employer, agent of an employer, or other payer located or doing business in a municipal corporation that imposes a tax on income in accordance with this chapter shall withhold from each employee an amount equal to the qualifying wages of the employee earned by the employee in the municipal corporation 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 **division (D)** of 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.~~

~~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.~~

~~(B) An employer, agent of an employer, or other payer shall remit to the tax administrator of a municipal corporation the **greater 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:~~

~~(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:~~

~~(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;~~

~~(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.~~

~~(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 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.~~

(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 **fifteenth last** day of the month following the end of the last day of each calendar quarter.

(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.

(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 or of such corporation's successor entity.

~~(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.

(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.

~~(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.

~~(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.~~

(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.

(H) On or before the **last twenty-eighth** day of February of each year, an employer shall file a **reconciliation** withholding return with the tax administrator listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld for the municipal corporation during the preceding calendar year, the amount of tax withheld from each employee, and other information as may be required ~~on the forms created~~ by the **tax administrator, municipal tax policy board under section 718.42 of the Revised Code.**

(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.

(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.

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 other than qualifying wages as provided in this section.

(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.

(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.

(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.

(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 return for that reporting period, that information shall be indicated on the annual return.

(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.

(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.

(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:

(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(b) A certificate from the tax administrator indicating that no amounts are due.

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.

(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.

(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.

(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.

(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.

(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 preceding month.

(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.

(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.

(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.

(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 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.

(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:

(1) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(2) A certificate from the tax administrator indicating that no amounts are due.

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.

(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.

(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 Revised Code.

(I) 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.

(J) The tax administrator shall prescribe the forms of the receipts and returns required under this section.

Sec. 718.04. (A) 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, **shall** include~~s~~ all of the following:

(1) 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;

(2) 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;

(3) The rate of the tax;

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

(5) The purpose or purposes of the tax;

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

~~(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:~~

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

~~(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.~~

~~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.~~

~~(B) 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 **ordinance or** resolution, provided that such rate continues in effect **as 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 corporation adopts the new ordinance or resolution on or before December 31, 2015.~~

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

~~(2) Except as provided in division (B E) 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?"~~

FOR THE INCOME TAX
AGAINST THE INCOME TAX "

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

~~(D 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.~~

~~(E 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 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.~~

~~(F 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.~~

Sec. 718.05. ~~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 (D 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.~~

~~(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.~~

~~(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.

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

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

(E)(1) 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 penalty ies of perjury. ~~in accordance with division (H) of section 718.42 of the Revised Code.~~

(2) Each annual return required to be filed pursuant to this chapter by a taxpayer that is an individual, whether filed on a generic form or a form prescribed by the tax administrator, shall include complete copies of the following, if applicable, at the time of filing: all W-2 Wage and Tax Statement Forms including all information reported on the taxpayer's Federal W-2, as well as taxable wages reported and withheld for any municipal corporation, 1099-MISC Forms, K-1 Forms, Form 4797, page one of Federal Return 1040 and complete copies of Schedule C, Schedule E and Schedule F. If an individual files a return electronically, the individual shall provide the foregoing documents to the tax administrator at the tax administrator's request.

(3) Each annual net profit return required to be filed pursuant to this chapter by a taxpayer that is not an individual, whether filed on a generic form or a form prescribed by the tax administrator, shall include complete copies of the following, if applicable, at the time of filing: the taxpayer's Federal Form 1041, 1065, 1120, 1120-A, 1120-REIT, 1120S, Schedule E, Form 4797, Form 8825 and any supporting statements for "other income," "taxes and licenses," "other expenses" reported on these forms, Schedule A "other costs," and the method of accounting and allocation used to determine tax allocable to the taxing municipal corporation. If applicable, the taxpayer shall include complete copies of any K-1 schedules issued or received, Forms 1099-MISC issued to Ohio residents, complete copies of federal consolidated schedules if filing a consolidated return pursuant to section 718.06 of the Revised Code, and a net operating loss carryforward schedule providing for the following: each year in which the net operating loss was sustained; the method of accounting and allocation used to determine the portion of net operating loss allocable to the taxing municipal corporation; the amount of net operating loss used as a deduction in prior years; and the amount of net operating loss claimed as a deduction in the current year. If a taxpayer that is not an individual files a return electronically, through the Ohio Business Gateway or otherwise, the taxpayer shall provide the foregoing documents to the tax administrator by separate mailing.

(4) Each annual withholding reconciliation return required to be filed pursuant to this chapter, whether filed on a generic form or a form prescribed by the tax administrator, shall include complete copies of the following, if applicable, at the time of filing: an information return for each employee from whom municipal income tax has been withheld, specifying the municipality for which the tax has been withheld and all information required for Federal Income Tax reporting purposes on Federal Form W-2 or its equivalent; and an information return for each person receiving payments on a commission or fee basis as non-employees.

(5) Pursuant to section 718.24 of the Revised Code, the tax administrator may request, and the taxpayer shall provide, any information, statements or documents required by the municipal corporation to determine and verify the taxpayer's municipal income tax obligation.

(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 federal~~ individual income tax returns and notices **pursuant to the Internal Revenue Code. 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 ~~tax administrator 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.

(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.

(3) If a taxpayer does not request and obtain a federal extension as described in division (F)(2) of this section, the 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.

Upon good cause shown, the tax administrator may extend the period for filing any notice or return.

(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.

(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.

(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.

(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 **the de minimus provision of division (F)(1) of this section applies. divisions (G)(1)(a), (b), and (c) apply.**

~~(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;~~

~~(b) If not for the application of division (G) of this section, the amount of tax the taxpayer would owe to the municipal corporation on the taxpayer's net profit for the taxable year is less than fifty dollars;~~

~~(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;~~

~~(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 annual net profit return as set forth in division (E)(3) of this section, 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.~~

~~(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.~~

~~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.~~

~~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 under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment.~~

~~"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.~~

~~(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.~~

~~(J) The municipal tax policy board shall ensure that c~~ Each return required by a municipal corporation to be filed in accordance with this section **shall** include 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 **examination 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 **examination 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.

(K) The tax administrator of a municipal corporation shall accept for filing a generic form of any income tax return, report, or document required by the municipal corporation in accordance with this chapter, provided that the generic form, once completed and filed, contains all of the information required by ordinance or rules adopted by the tax administrator 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.

(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.

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

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

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

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

~~(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.~~

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

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

~~(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.

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

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

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

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

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

(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 within thirty days of such request. The tax commissioner shall not impose a fee or charge for the production of municipal income tax data, including, but not limited to, the costs associated with inspection, review, production, photo-copy and/or computer-related costs.

Sec. 718.052. (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.

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

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

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

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

(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this chapter. The length of any extension granted under division (C)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this section, "qualifying taxpayer" means a member of the national guard, or a member of the reserve component of the armed forces of the United States, who is called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States.

(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.

(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.

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

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

(2) "Consolidated federal taxable income" 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.

(B) For taxable years beginning on or after January 1, 2015, a taxpayer that is a member of an affiliated group of corporations ~~shall may elect to~~ file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group is subject to the municipal income tax in that taxable year and if the affiliated group filed a consolidated federal income tax return with respect to that taxable year.

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

(D)(1) Except as otherwise provided in divisions (D)(2), ~~and (3) and (4)~~ of this section, corporations that ~~elect to~~ file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in section 718.01 of the Revised Code, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

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

~~(3) If eighty per cent or more of the net profit or loss of a pass-through entity is included in an affiliated group's consolidated federal taxable income, both of the following shall apply:~~

~~(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:~~

~~(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 situated to a municipal corporation:~~

~~(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:~~

~~(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:~~

~~(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 situated to a municipal corporation:~~

(3 e) The affiliated group shall deduct from the group's consolidated federal taxable income any portion of the net profit of ~~a the~~ pass-through entity that is included in the consolidated federal taxable income of affiliated group.

(4 d) The affiliated group shall add back to the group's consolidated federal taxable income any amount of loss incurred by ~~a the~~ pass-through entity that is included in the consolidated federal taxable income of affiliated group.

(E) Corporations ~~electing to~~ filing a consolidated municipal 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.

(F) Each corporation ~~electing to file~~ **fileing** 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.

(G) Once a taxpayer has ~~elected to file~~ **d** 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.

(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.

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 the public through the internet, including, but not limited to, ordinances or rules governing the rate of tax; payment and withholding of taxes; filing any prescribed returns, reports, or other documents; dates for filing or paying taxes, including estimated taxes; penalties, interest, **assessment,** and other collection remedies; rights of taxpayers to appeal; and procedures for filing appeals. On and after that date, any municipal corporation that requires taxpayers to file income tax returns, reports, or other documents The tax administrator shall make blanks of such any prescribed returns, reports, or documents, and any instructions pertaining thereto, available to the public electronically through the internet. Electronic versions of rules, ordinances, blanks, and instructions shall be made available either by posting them on the electronic site established by the tax commissioner under section 5703.49 of the Revised Code or and, if the municipal corporation or tax administrator maintains an electronic site for the posting of such documents that is accessible through the internet, by posting them on an that electronic site established by the municipal corporation that is accessible through the internet. If a municipal corporation or tax administrator establishes such an electronic site, the municipal corporation shall incorporate an electronic link between that site and the site established pursuant to section 5703.49 of the Revised Code, and shall provide to the tax commissioner the uniform resource locator of the site established pursuant to this division.

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

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

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

~~(3) "Taxes paid" include payments of estimated taxes made under division (C) of this section, taxes withheld from the taxpayer's compensation, taxes collected on behalf of the taxpayer by a pass-through entity under section 718.43 of the Revised Code, and tax credits applied by the taxpayer in payment of estimated taxes.~~

(B)(1) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, ~~on in~~ the form prescribed by the ~~tax administrator municipal tax policy board under section 718.42 of the Revised Code,~~ if the amount payable as estimated taxes, ~~less the amount to be withheld from the taxpayer's compensation,~~ is more than ~~two hundred fifty~~ dollars. For the purposes of this section:

(a) Taxes withheld from compensation shall be considered as paid ~~to the municipal corporation for which it was withheld~~ in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld.

(b) Tax refunds applied as credits to a subsequent taxable year are deemed to be paid on the date the taxpayer files a return showing the credits to be applied.

(c) Taxes collected on behalf of the taxpayer by a pass-through entity under section 718.43 of the Revised Code are deemed to be paid ~~to the municipal corporation for which it was withheld~~ on the date the pass-through entity is required to collect and remit the taxes under that section.

(d) Taxes withheld by a casino operator or by a lottery sales agent under section 718.031 of the Revised Code are deemed to be paid ~~to the municipal corporation for which it was withheld~~ on the date the taxes are withheld from the taxpayer's winnings.

(2) Taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the ~~tax administrator municipal tax policy board.~~ A taxpayer having a taxable year of less than twelve months shall make a declaration under rules prescribed by the ~~tax administrator 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.~~

(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.

(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.

(5) The declaration shall be filed upon a form prescribed by the ~~tax administrator, municipal tax policy board.~~

(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.

(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:

(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;

(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;

(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;

(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.

(2) When an amended **return declaration** has been filed, the unpaid balance shown due on the amended **return declaration** shall be paid in equal installments on or before the remaining payment dates.

(3) On or before the **last fifteenth** 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.

(D)(1) In the case of any underpayment of estimated taxes, ~~a~~ penalty **and interest** shall be ~~added~~ **assessed pursuant to Section 718.27 of the Revised Code 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:

(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;

(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;

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

(d) 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.

(2) 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.

~~(3) 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.~~

(E)(1) 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:

(a) The amount of **estimated** taxes that **was were** 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.

(b) The amount of **estimated** taxes that **was were** 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 year.

(c) 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.

(2) 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.

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

(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;

(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.

(B) The legislative authority of a municipal corporation to which this section applies may propose to the electors an income tax, one of the purposes of which shall be to provide financial assistance to the school district through payment to the district of not less than twenty-five per cent of the revenue generated by the tax, except that the legislative authority may not propose to levy the income tax on the incomes of nonresident individuals. Prior to proposing the tax, the legislative authority shall negotiate and enter into a written agreement with the board of education of the school district specifying the tax rate, the percentage of tax revenue to be paid to the school district, the purpose for which the school district will use the money, the first year the tax will be levied, which shall be the first year after the year in which the levy is approved or any later year, the date of the special election on the question of the tax, and the method and schedule by which the municipal corporation will make payments to the school district. The special election shall be held on a day specified in division (D) of section 3501.01 of the Revised Code, except that the special election may not be held on the day for holding a primary election as authorized by the municipal corporation's charter unless the municipal corporation is to have a primary election on that day.

After the legislative authority and board of education have entered into the agreement, the legislative authority shall provide for levying the tax by ordinance. The ordinance shall include the provisions

described in division (A) of section 718.04 of the Revised Code and shall state the tax rate, the percentage of tax revenue to be paid to the school district, the purpose for which the municipal corporation will use its share of the tax revenue, the first year the tax will be levied, and that the question of the income tax will be submitted to the electors of the municipal corporation. The legislative authority also shall adopt a resolution specifying the regular or special election date the election will be held and directing the board of elections to conduct the election. At least ninety days before the date of the election, the legislative authority shall file certified copies of the ordinance and resolution with the board of elections.

(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:

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

For the income tax

Against the income tax

"

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

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

(B) The legislative authorities of the municipal corporations in a group of municipal corporations to which this section applies each may propose to the electors an income tax, to be levied in concert with income taxes in the other municipal corporations of the group, except that a legislative authority may not propose to levy the income tax on the incomes of individuals who do not reside in the municipal corporation. One of the purposes of such a tax shall be to provide financial assistance to the school district through payment to the district of not less than twenty-five per cent of the revenue generated by the tax. Prior to proposing the taxes, the legislative authorities shall negotiate and enter into a written agreement with each other and with the board of education of the school district specifying the tax rate, the percentage of the tax revenue to be paid to the school district, the first year the tax will be levied, which shall be the first year after the year in which the levy is approved or any later year, and the date of the election on the question of the tax, all of which shall be the same for each municipal corporation.

The agreement also shall state the purpose for which the school district will use the money, and specify the method and schedule by which each municipal corporation will make payments to the school district. The special election shall be held on a day specified in division (D) of section 3501.01 of the Revised Code, including a day on which all of the municipal corporations are to have a primary election.

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

(C) For each of the municipal corporations, the board of elections shall make the necessary arrangements for the submission of the question to the electors, and shall conduct the election in the same manner as any other municipal income tax election. For each of the municipal corporations, 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. The notice shall include a statement 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, and an explanation that the tax will not be levied unless an identical tax is approved by the electors of each of the other municipal corporations in the group. The ballot shall be in the following form:

"Shall the ordinance providing for a ... per cent levy on income for (brief description of the municipal corporation and school district purposes of the levy, including a statement of the percentage of income 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). In order for the income tax to be levied, the voters of (the other municipal corporations in the group), which are also in the (name of the school district) school district, must approve an identical income tax and agree to pay the same percentage of the tax revenue to the school district.

For the income tax

Against the income tax

"

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

Sec. 718.11. (A)(1) The legislative authority of each municipal corporation that imposes a tax on income in accordance with this chapter shall maintain a local board of tax review to hear appeals as provided in this section. The legislative authority of any municipal corporation that does not impose a tax on income on the effective date of this amendment June 26, 2003, but that imposes such a tax after that date, shall establish such a board by ordinance not later than one hundred eighty days after the tax takes effect.

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

(3) The term for members of the local board of tax review appointed by the legislative authority of the municipal corporation shall be two years. **Subsequent to a member's initial two year appointment, the member may be reappointed for additional terms subject to the approval of the legislative authority.** The board member appointed by the top administrative official of the municipal corporation shall serve at the discretion of the administrative official.

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

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

(6) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within sixty days of when the vacancy was created. 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 such term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board.

(B) Whenever a **written determination by the** tax administrator **is** issued ~~s~~ a decision ~~an assessment regarding a an underpayment of municipal income tax~~ obligation that is subject to appeal as provided in this section ~~or in an ordinance or regulation of the municipal corporation~~ ~~or denies a qualified refund claim~~, the tax administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the decision **written determination by the tax administrator** ~~assessment or denial~~ and of the manner in which the taxpayer may appeal the decision **ruling. assessment or denial**.

(C) Any person who is aggrieved by a decision by the tax administrator and who has filed with the municipal corporation the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision has been issued **a written determination by the tax administrator an assessment** may appeal the decision ~~assessment~~ **ruling** to the board created pursuant to this section by filing a request with the board. The request shall be in writing, shall ~~state~~ specify the reason or reasons

why the ~~decision~~ **written determination by the tax administrator** ~~assessment~~ should be deemed incorrect or unlawful, and shall be filed within ~~thirty~~ **sixty** days after the ~~tax administrator issues~~ taxpayer receives the ~~decision complained of~~ **assessment ruling**.

(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 a written determination by the tax administrator** ~~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 **written determination by the tax administrator** ~~tax administrator's decision~~ **assessment** or any part of that **ruling** ~~decision~~ **assessment**. The board shall issue a final ~~decision~~ **determination** **decision** on the appeal within ninety days after the board's final hearing on the appeal, and send a copy of its final **decision** ~~decision~~ **determination** by ordinary mail to all of the parties to the appeal within fifteen days after issuing the **decision** ~~decision~~ **final determination**. The taxpayer or the tax administrator may appeal the board's **decision** ~~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 municipal corporation the rules of the local board of tax review, the names of the board members, and the address to which appeals and other correspondence must be sent. Any tax administrator that fails to comply with this division shall not be permitted to impose penalties or interest under section 718.27 of the Revised Code on any taxpayer until compliance is attained.~~

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

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

~~(3) An assessment issued against the taxpayer or against the employer, agent of the employer, or other payer pursuant to this section shall not be considered an election of remedies or a bar to an assessment~~

~~against the other for failure to report or pay the same tax. No assessment shall be issued against any person if the tax has been paid by another. An assessment that has been paid by another shall be canceled.~~

~~(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.~~

~~(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.~~

~~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.~~

~~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.~~

~~This division does not apply to an assessment against an employer, agent of an employer, or other payer for taxes withheld 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.~~

~~(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.~~

~~(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.~~

~~(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:~~

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

~~(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;~~

~~(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 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.~~

~~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.~~

~~(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.~~

~~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.~~

~~(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 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. 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.~~

~~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.~~

~~(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:~~

~~(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.~~

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

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

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

~~(b) 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.~~

~~(H)(1) 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.~~

~~(2) 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.~~

718.12. (A)(1)(a) Civil actions to recover municipal income taxes and penalties and interest on municipal income taxes shall be brought within the later of:

(i) three years after the tax was due or the return was filed, whichever is later; or

(ii) one year after the conclusion of the qualifying deferral period, if any.

(b) Such time limit may be extended at any time if both the tax administrator and either the employer or taxpayer consent in writing to the extension. Any such extension shall also extend for the same period of time the time limit in division (C) of this section.

(2)(a) The "qualifying deferral period" begins on the date any person who is aggrieved by a decision by the tax administrator files with any local board of tax review, described in section 718.11 of the Revised Code, the request described in section 718.11 of the Revised Code. A subsequent decision, finding or holding by any board or by any court that the local board of tax review with which the aggrieved person filed the request did not have jurisdiction to affirm, reverse, or modify the tax administrator's decision or any part of that decision shall not affect the date described in this division.

(b) The "qualifying deferral period" concludes on the later of: (i) the sixtieth day after the date on which the decision of the local board of tax review becomes final, or (ii) if any party appeals from the decision of the local board of tax review, the sixtieth day after the date on which the

decision of the local board of tax review is either ultimately affirmed in whole or in part or ultimately reversed and no further appeal of either that affirmation, in whole or in part, or that reversal is available or taken.

(B) Prosecutions for an offense made punishable under a municipal ordinance imposing an income tax shall be commenced within three years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five per cent or more of income required to be reported, prosecutions may be commenced within six years after the commission of the offense.

(C) Claims for refund of municipal income taxes must be brought within the time limitation provided in division (A) of this section.

(D) Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within ninety days after the final filing date of the annual return or ninety days after the complete return is filed, whichever is later, no interest shall be allowed on the refunded overpayment. For purposes of computing the payment of interest on 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 that return. The interest shall be paid at the rate of interest prescribed by section 5703.47 of the Revised Code.

(E) Within sixty days from the final determination of any federal and/or state tax liability affecting the taxpayer's municipal tax liability, such taxpayer shall make and file an amended municipal return showing income subject to the municipal income tax based upon such final determination of federal and/or state tax liability, and pay any additional municipal income tax shown due thereon or make claim for refund of any over payment, unless the tax shown due or over payment is less than five dollars.

Sec. 718.121. (A) Except as provided in division (B) of this section, if tax or withholding is paid to a municipal corporation on income or wages, and if a second municipal corporation imposes or assesses a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages, equal to the tax or withholding paid to the first municipal corporation with respect to such income or wages.

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

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

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

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

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

~~(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.~~

~~(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.~~

~~(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.~~

Sec. 718.18. (A)(1) Subject to division (B) of this section, a copy of each **written determination by the tax administrator 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.

(2) With the permission of the person affected by a **written determination by the tax administrator assessment**, a tax administrator may deliver the **ruling assessment** through 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.

(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 written determination by the tax administrator shall be sent by ordinary mail and considered final. If the ordinary mail is subsequently returned because of an undeliverable address, the ruling remains final and appealable within sixty days from the ruling's postmark. 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.**

~~(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, **serves the written determination by the tax administrator upon the** ~~makes an initial contact with the~~ person to whom the **ruling assessment** is directed, the person may protest **the ruling an assessment** by filing an appeal with the local board of tax review within sixty days after **receipt of service, the initial contact**. The delivery of **a written determination by the tax administrator an assessment** under division (B)(1)(a) of this section is prima facie evidence that delivery is complete and that the **ruling assessment** is served.~~

~~(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:~~

~~"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 all periods within which an appeal may be filed apply from and after that date."~~

~~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.~~

~~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.~~

~~(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.~~

~~(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 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.~~

~~(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering an assessment by personal service.~~

~~(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.~~

~~(C F)~~ As used in this section:

(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.

(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 **a written determination by the tax administrator** ~~an assessment~~, except when the reason for nondelivery is because the addressee fails to acknowledge or accept the **ruling assessment**.

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:

(1) Overpayments of more than five dollars;

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

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

(B) Except as otherwise provided in this chapter, applications for refund shall be filed with the tax administrator, on the form prescribed by the **tax administrator municipal tax policy board**, within three years from the date of the ~~illegal, erroneous, or excessive~~ **over**payment of the tax, or within any additional period allowed by section ~~718.12 or~~ 718.41 of the Revised Code. ~~If the municipal tax policy board has not prescribed such a form, then the tax administrator shall prescribe such a form.~~

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

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

~~(2) Interest shall be allowed and paid at the rate per annum prescribed by section 5703.47 of the Revised Code upon any overpayment not described in division (C)(1) of this section and in excess of five dollars from the date of the overpayment until the date of the refund of the overpayment, except that if any such overpayment is refunded within ninety days after the final filing 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.~~

(C 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:

(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.

(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.

(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.

~~(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 applicant notifies the tax administrator of a different address. The notice shall include the following statement printed in bold-faced capital letters: "THIS DENIAL OF FULL REFUND MAY BE APPEALED. SEE SEPARATE SHEET REGARDING YOUR APPEAL RIGHTS TO THE LOCAL BOARD OF TAX REVIEW." 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.~~

~~(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. 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." The notice shall contain a separate sheet of paper providing detailed instructions on the procedures for filing an amended tax return.~~

(E 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.

~~**Sec. 718.20.** If the tax administrator of a municipal corporation finds that an employer, other payer, or taxpayer liable for any income or withholding tax levied by the municipal corporation is about to depart from the state, to remove the employer's, other payer's, or taxpayer's property therefrom, to conceal the employer's, other payer's, or taxpayer's self or the employer's, other payer's, or taxpayer's property, or to do any other act tending to prejudice or render wholly or partly ineffectual proceedings to collect such tax, unless such proceedings are brought without delay, or if the tax administrator believes that the collection of the amount due from any employer, other payer, or taxpayer will be jeopardized by delay,~~

~~the tax administrator shall give notice of such findings to such employer, other payer, or taxpayer, together with the demand for an immediate return and immediate payment of such tax, with an assessment and penalty, if applicable as provided in section 718.12 of the Revised Code, whereupon such tax shall become immediately due and payable. In such cases, the tax administrator may immediately file the tax administrator's entry with the clerk of the court of common pleas in the same manner and with the same effect as provided in section 718.12 of the Revised Code, provided that if such employer, other payer, or taxpayer, within five days from notice of the assessment, furnishes evidence satisfactory to the tax administrator that the employer, other payer, or taxpayer is not in default in making returns or paying or collecting any municipal income or withholding tax or that the employer, other payer, or taxpayer will duly return and pay, or post bond satisfactory to the tax administrator conditioned upon payment of the tax finally determined to be due, such tax shall not be payable prior to the time and manner otherwise fixed for payment under section 718.12 of the Revised Code, and the person assessed shall be restored to the rights granted the person under such section. Upon satisfaction of the assessment the tax administrator shall order the bond canceled, securities released, and judgment vacated.~~

~~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.~~

~~**Sec. 718.21.** (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.~~

~~(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 notice by certified mail to the corporation at the address specified in the affidavit and forward together therewith a copy of such process. The secretary of state shall retain a copy of such process in the secretary of state's files, keep a record of any such process served upon the secretary of state, and record therein the time of such service and the secretary of state's action thereafter with respect thereto.~~

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

~~**Sec. 718.22.** (A) The **tax administrator municipal tax policy board** may, by rule, prescribe uniform requirements as to the keeping of records and other pertinent documents related to the liability of any person for a tax imposed by a municipal corporation in accordance with this chapter, and as to the filing of copies of federal income tax returns and determinations. Such records and other documents shall be open to the tax administrator's inspection during business hours and shall be preserved for a period of~~

six years following the end of the taxable year to which the records or documents relate, unless the tax administrator, in writing, consents to their destruction within that period, or by order requires that they be kept longer.

(B) In addition to any requirements prescribed pursuant to division (A) of this section, the tax administrator of a municipal corporation may require any person, by notice served on that person, to keep such records as the tax administrator determines necessary to show whether or not that person is liable, and the extent of such liability, for the income tax levied by the municipal corporation or for the withholding of such tax.

Sec. 718.23. (A) The tax administrator, or any authorized agent or employee thereof may examine the books, papers, records, and federal **and state** 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.

(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.

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.

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:

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

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

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

(D) Exercise the authority provided by law, including orders from bankruptcy courts, relative to remitting or refunding taxes ~~or assessments~~, including penalties and interest thereon, illegally or

erroneously assessed or collected, or for any other reason overpaid, and, in addition, the tax administrator may investigate any claim of overpayment and make a written statement of the tax administrator's findings, and, if the tax administrator finds that there has been an overpayment, approve and issue a refund payable to the taxpayer, the taxpayer's assigns, or legal representative as provided in this chapter;

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

(F) Exercise the authority provided by law relative to the use of alternative apportionment methods by taxpayers in accordance with section 718.02 of the Revised Code;

(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;

(H) Destroy any or all returns or other tax documents in the manner authorized by law;

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

Sec. 718.25. 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.

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

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

(C)(1) If the tax administrator makes a request for identifying information and the tax administrator does not receive valid identifying information within thirty days of making the request, nothing in this chapter

prohibits the tax administrator from imposing a penalty upon the person to whom the request was directed pursuant to section 718.27 of the Revised Code, in addition to any applicable penalty described in section 718.99 of the Revised Code.

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

(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.

Sec. 718.27. (A) As used in this section:

(1) "Applicable law" means this chapter, the resolutions, ordinances, codes, 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.

(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.

(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.

(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.

(5) "Interest rate" as described in division (A) of this section, means the federal short-term rate, rounded to the nearest whole number per cent, plus ~~five~~ **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.

(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.

(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.

(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.

(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.

(10) The effective date to which this section refers is the effective date of ...B... of the 130th general assembly.

(B) **Except as provided in division (B)(4),** this section applies to the following:

(1) Any return required to be filed under applicable law **for taxable years beginning** on or after the effective date;

~~(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;~~

~~(2 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;~~

~~(3 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.~~

(4) This section does not apply to returns required to be filed and/or payments required to be made prior to the effective date of this chapter, regardless of the filing and/or payment date. Returns required to be filed and/or payments required to be made before the effective date of this chapter, but filed and/or paid subsequent to the effective date of this chapter, shall be subject to the ordinances or rules of the municipal corporation in which the return is to be filed and/or the payment is to be made, as adopted prior to January 1, 2015.

(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.

(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.

(2)(a) With respect to unpaid income tax and unpaid estimated income tax, a municipal corporation shall impose a penalty equal to **the federal short-term rate, rounded to the nearest whole number percent, plus fifteen percent** ~~ten per cent, per annum, on~~ ~~of~~ the amount not timely paid.

(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.

(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.

(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 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.

(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.

(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.

(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.

(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.

(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 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.~~

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.~~

(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:

(1) Compromise a claim;

(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.~~

(C) The tax administrator ~~shall~~ **may** 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:

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

~~(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.~~

~~(3) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration.~~

~~(4-3) There exists a **joint liability assessment** of spouses **exists**, one of whom is an innocent spouse, provided that any relief under this standard shall only affect the claim as to the innocent spouse. A spouse granted relief under section 6015 of the Internal Revenue Code with regard to any income item is rebuttably presumed to be an innocent spouse with regard to that income item to the extent that income item is included in or otherwise affects the computation of a municipal income tax or any penalty or interest on that tax.~~

~~(5-4) Any other reasonable standard that the tax administrator establishes.~~

(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.

(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.

(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 **and penalties** that would have accrued in the absence of the compromise or agreement shall continue to accrue and be due.

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 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 All~~ rules adopted under this section ~~shall be~~ **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.~~

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, **and federal and state income tax returns** 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.

(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.

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

Sec. 718.35. No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by municipal corporation ordinance or state law to be filed with a tax administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such change, alteration, or amendment of the records upon which such report, return, schedule, statement, claim, or document is based with intent to defraud the municipal corporation or a tax administrator.

~~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.~~

~~**Sec. 718.36.** (A) At or before the commencement of an audit, the tax administrator shall provide to the taxpayer a written description of the roles of the tax administrator and of the taxpayer during an audit and a statement of the taxpayer's rights, including any right to obtain a refund of an overpayment of a tax. At or before the commencement of an audit, the tax administrator shall inform the taxpayer when the audit is considered to have commenced.~~

~~(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.~~

~~(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 tax administrator may accept other evidence, as the tax administrator considers appropriate, that a person is the authorized representative of a taxpayer.~~

~~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.~~

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

~~(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.~~

~~(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.~~

~~**Sec. 718.37.** (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 several attempts to communicate with the person assigned by the tax administrator to the taxpayer's case or that person's immediate supervisor.~~

~~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.~~

~~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.~~

~~(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.~~

Sec. 718.38. (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.~~

(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 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:

(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.

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

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

(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:

(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;

(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 substantially change the analysis and conclusion of the opinion of the tax administrator;

(3) 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;

(4) 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;

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

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

(D) 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.

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

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

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

(F) A tax administrator may refuse to offer an opinion on any request received under this section.

(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 2013.

(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.

(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.

~~(f) 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.~~

~~(J-K) An opinion of the tax administrator or an opinion of the municipal tax policy board issued under this section may not be appealed.~~

~~**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:~~

~~(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;~~

~~(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;~~

~~(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.~~

~~(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:~~

~~(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;~~

~~(2) Reasonable costs of litigation and attorneys' fees sustained by the taxpayer;~~

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

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

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

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

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

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

Sec. 718.41. (A) A taxpayer shall file an amended return with the tax administrator in such form as the ~~tax administrator municipal tax policy board~~ requires ~~in accordance with section 718.42 of the Revised Code if either of the following applies:~~ (1) ~~A~~ 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 affects the taxpayer's tax liability under this chapter;

~~(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.~~

(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 **unless the applicable statute of limitations for civil actions or prosecutions under Section 718.12 has not expired for a previously filed return.**

(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.

(C)(1) In the case of an overpayment, an application for refund may be filed under this division within the ~~sixty-day~~ period prescribed **by 718.12(E) of the Revised Code** 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 refund need be paid by the municipal corporation to the taxpayer. 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.

(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.

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

~~(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;~~

~~(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;~~

~~(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;~~

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

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

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

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

~~(B) Of the original members of the municipal income tax policy board, two members shall be appointed to terms ending March 31, 2013, two members shall be appointed to terms ending March 31, 2014, and three members shall be appointed to terms ending March 31, 2015. Thereafter, terms of office for all members shall be three years, commencing on the first day of April and ending on the thirty-first day of March. Each member shall hold office from the date of appointment until the date of the end of the term for which the member was appointed. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.~~

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

~~(C) The governor may remove any member of the municipal tax policy board for malfeasance, misfeasance, or nonfeasance in office, giving the member a copy of the charges against the member and affording the member an opportunity to be publicly heard in person or by counsel in the member's own defense upon not less 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.~~

~~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.~~

~~(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.~~

~~(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.~~

~~(F) The municipal tax policy board may designate working 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.~~

~~(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.~~

~~(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.~~

~~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."~~

~~(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.~~

~~(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 valid forms by the tax administrator with whom the form is filed.~~

~~(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.~~

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

~~(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.~~

~~(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.~~

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.

Each pass-through entity owner's share of net profit of the pass-through entity that is subject to taxation by the municipal corporation shall be included in the income of the owner.

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.

(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:

(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;

(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;

(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;

(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.

(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 taxes shown to be due on the return, less any amounts paid as estimated payments under division (B)(1) of this section.

(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.

(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 credit under division (C)(2) applies only to the municipal corporation or municipal corporations for which the municipal income tax was collected and remitted under division (A) of this section, and does not apply to the municipal corporation or municipal corporations in which the owner resides. With respect to the municipal corporation or municipal corporations in which the owner resides, the owner may claim a credit for the amounts so collected and remitted under division (A) of this section only to the extent permitted by the municipal corporation by ordinance or resolution. 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.**

(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. **This division does not apply to the municipal corporation in which an owner is a resident.**

(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 pass-through entity shall include a copy of the federal extension request.

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.

(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.

(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.

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.

(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 of a judge sitting by assignment of the chief justice or on the income of a district court of appeals judge sitting in multiple locations within the district, received as a result of services rendered as a judge.

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. Except as provided in division (B) of this section, whoever violates division (A) of section 718.13 of the Revised Code, 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, 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.~~

~~(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.~~

~~(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.

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

(D) Nothing herein prohibits a municipal corporation from prosecuting other offenses made punishable under a municipal ordinance imposing an income tax.

Sec. 5703.059. (A) The tax commissioner may adopt rules requiring returns, including any accompanying schedule or statement, for any of the following taxes to be filed electronically using the Ohio business gateway as defined in section ~~718.054~~ 718.01 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:

- (1) Employer income tax withholding under Chapter 5747. of the Revised Code;
- (2) Motor fuel tax under Chapter 5735. of the Revised Code;
- (3) Cigarette and tobacco product tax under Chapter 5743. of the Revised Code;
- (4) Severance tax under Chapter 5749. of the Revised Code;
- (5) Use tax under Chapter 5741. of the Revised Code.

(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.

(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.

(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.

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

(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.

(C) The committee shall consist of:

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

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

(b) Not more than ~~one representative~~ three representatives of municipal tax administrators selected from a list of candidates provided by the Ohio Municipal League; and

(c) Not more than two tax practitioners.

(2) The following ex officio members:

- (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;
- (b) The secretary of state or the secretary of state's designee;
- (c) The treasurer of state or the treasurer of state's designee;
- (d) The director of budget and management or the director's designee;
- (e) The state chief information officer or the officer's designee;
- (f) The tax commissioner or the tax commissioner's designee; ~~and~~ ~~and~~
- (g) The director of development or the director's designee. ~~and~~
- ~~(h) The chair of the municipal tax policy board or the chair's designee.~~

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.

(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.

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

(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 committee's meetings and a journal of all meetings, proceedings, findings, and determinations of the committee.

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

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

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

(B) Appeals from a municipal ~~decision final determination~~ of a local board of ~~appeal tax review~~ created under section 718.11 of the Revised Code may be taken by the taxpayer or the tax administrator to the board of tax appeals ~~or~~ ~~or, but~~ may ~~not~~ be taken by the taxpayer or the tax administrator to a court of common pleas ~~as otherwise provided by law.~~ ~~as otherwise provided by law.~~ If the taxpayer or the tax administrator elects to make an appeal to the board of tax appeals ~~or the court of common pleas,~~ ~~court of common pleas,~~ the appeal shall be taken by the filing of a notice of appeal with the board of tax appeals ~~or the court of common pleas,~~ ~~or court of common pleas,~~ the ~~municipal~~ ~~local~~ board of ~~appeal tax review~~, and the opposing party. The notice of appeal shall be filed within sixty days after the

day the appellant receives notice of the ~~decision~~ ~~decision-final determination~~ issued under section 718.11 of the Revised Code. The notice of appeal may be filed in person or by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code. If the notice of appeal is filed by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code, the date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing. The notice of appeal shall have attached thereto and incorporated therein by reference a true copy of the decision issued under section 718.11 of the Revised Code and shall specify the errors therein complained of, but failure to attach a copy of such notice and incorporate it by reference in the notice of appeal does not invalidate the appeal.

(C) Upon the filing of a notice of appeal with the board of tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall certify to the board of tax appeals a transcript of the record of the proceedings before it, together with all evidence considered by it in connection therewith. Such appeals may be heard by the board at its office in Columbus or in the county where the appellant resides, or it may cause its examiners to conduct such hearings and to report to it their findings for affirmation or rejection. The board's ~~hearing of~~ may order the appeal ~~to be heard upon~~ shall be confined to the record and ~~the~~ evidence certified to it by the tax administrator, ~~but upon the application of any interested party the board shall order the hearing of additional evidence, and the board may make such investigation concerning the appeal as it considers proper. unless it appears on the face of the record and evidence certified, or by affidavit of the appellant, that one of the following applies:~~

(1) The record and evidence certified does not contain a report of all evidence admitted or proffered by the appellant.

(2) The appellant was not permitted to appear and be heard in person, or by the appellant's attorney, in opposition to the final determination, and to do any of the following:

(a) Present the appellant's position, arguments, and contentions;

(b) Offer and examine witnesses and present evidence in support;

(c) Cross-examine witnesses purporting to refute the appellant's position, arguments, and contentions;

(d) Offer evidence to refute evidence and testimony offered in opposition to the appellant's position, arguments, and contentions;

(e) Proffer any such evidence into the record, if its admission is denied by the officer or body appealed from.

(3) The testimony adduced was not given under oath.

(4) The appellant was unable to present evidence by reason of a lack of the power of subpoena by the officer or body appealed from, or the refusal, after request, by the officer or body to afford the appellant opportunity to use the power of subpoena when possessed by the officer or body.

(5) The officer or body failed to file with the transcript conclusions of fact supporting the final order, adjudication, or decision.

(D) If any of the circumstances described in divisions (C)(1) to (5) of this section applied, the board shall hear the appeal upon the transcript and additional evidence as may be introduced by any party. At the hearing, any party may call, as if on cross-examination, any witness who previously gave testimony in opposition to that party.

(E) The board of tax appeals may find that the decision of the local board of tax review is unconstitutional, illegal, arbitrary, capricious, unreasonable, or unsupported by the preponderance of substantial, reliable, and probative evidence on the whole record. Consistent with its finding, the board may affirm, reverse, vacate or modify the decision or remand the cause to the local board of tax review with instructions to enter a decision consistent with the findings of the board.

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

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

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

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

(C) In the case of an appeal from a review, redetermination, or correction of a tax assessment, valuation, determination, finding, computation, or order of the tax commissioner, the order of the board of tax appeals and the date of the entry thereof upon its journal shall be sent by the board to all persons who were parties to the appeal before the board, the person in whose name the property is listed or sought to be listed, if the decision determines the valuation or liability of property for taxation and if such person is not a party to the appeal, the taxpayer or other person to whom notice of the tax assessment, valuation, determination, finding, computation, or order, or correction or redetermination thereof, by the tax commissioner was by law required to be given, the director of budget and management, if the revenues affected by such decision would accrue primarily to the state treasury, and the county auditors of the counties to the undivided general tax funds of which the revenues affected by such decision would primarily accrue.

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

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

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

(G) If the board finds that issues not raised on the appeal are important to a determination of a controversy, the board may remand the cause for an administrative determination and the issuance of a new tax assessment, valuation, determination, finding, computation, or order, unless the parties stipulate to the determination of such other issues without remand. An order remanding the cause is a final order. If the order relates to any 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.

(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.

Sec. 5739.12. (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 ~~748.054~~ 718.01 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 semiannual period. The reconciliation return shall be filed by the last day of the month following the last month of the annual or semiannual period. The commissioner may remit all or any part of amounts or penalties that may become due under this chapter and may adopt rules relating thereto. Such return shall be filed electronically as directed by the tax commissioner, and payment of the amount of tax shown to be due

thereon, after deduction of any discount provided for under this section, shall be made electronically in a manner approved by the tax commissioner.

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

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

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

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

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

(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.

(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.

(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.

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

Sec. 5739.124. (A) If required by the tax commissioner, a permit holder required to make payments under section 5739.032 of the Revised Code shall file all returns and reports electronically. The commissioner may require the permit holder to use the Ohio business gateway, as defined in section ~~748.054~~ 718.01 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 5739.032 of the Revised Code.

(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.

(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:

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

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

(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.

Sec. 5741.122. (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 ~~718.051~~ 718.01 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.

(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.

(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:

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

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

(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 5741.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5747.063. (A)(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 Ohio income tax from the person's winnings 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 casino facility is located.~~ A person's amount of winnings shall be determined each time the person exchanges amounts won in tokens, chips, casino credit, or other prepaid representations of value for cash or a cash equivalent. The casino operator shall issue, to a person from whose winnings an amount has been deducted and withheld, a receipt for the amount deducted and withheld, and also shall obtain from the person additional information that will be necessary for the casino operator to prepare the returns required by this section.

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

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

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ 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 ~~and the tax administrator of the municipal corporation, as applicable~~, all the amounts deducted and withheld during the preceding month.

(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.

(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.

(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.

(3) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable~~, 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 return, that information shall be indicated on the annual return.

(4)(a) A casino operator 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. The commissioner ~~and the tax administrator of the municipal corporation, as applicable~~, may impose a penalty up to one thousand dollars if a return is filed late, if amounts deducted and withheld are remitted late, if a return is not filed, or if amounts deducted and withheld are not remitted. Interest accrues on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code. The commissioner ~~and the tax administrator of the municipal corporation, as applicable~~, may collect past due amounts deducted and withheld and penalties and interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld and 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 and penalties and interest thereon until the predecessor casino operator produces either a receipt from the commissioner ~~and the tax administrator of the municipal corporation, as applicable~~, showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner ~~and the tax administrator of the municipal corporation, as applicable~~, indicating that no amounts deducted and withheld or penalties and interest thereon are due. 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 the purchase money.

(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.

(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.

(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.

(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.

(F) The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ shall prescribe the form of 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.

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

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. .

(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.

(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.~~

(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, the amount of the prize award from which each such amount was withheld, and any other information required by the commissioner ~~and the tax administrator of the municipal corporation, as applicable.~~ With the return, the lottery sales agent shall remit electronically to the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ all the amounts deducted and withheld during the preceding month.

(2) A lottery sales agent shall maintain a record of all receipts issued under division (B) of this section and shall make those records available to the commissioner ~~and the tax administrator of the municipal~~

~~corporation, as applicable,~~ upon request. Such records shall be maintained in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(3) Annually, on or before the thirty-first day of January, a lottery sales agent shall file an annual return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ indicating the total amount deducted and withheld during the preceding calendar year. The 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, that information shall be indicated on the annual return.

(4)(a) A 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. The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ may impose a penalty of up to one thousand dollars if a return is filed late, if amounts deducted and withheld are remitted late, if a return is not filed, or if amounts deducted and withheld are not remitted. Interest accrues on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code. The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ may collect past due amounts deducted and withheld and penalties and interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld and any penalties and interest thereon are immediately due and payable. A successor of the lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld and penalties and interest thereon until the predecessor lottery sales agent produces either a receipt from the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ indicating that no amounts deducted and withheld or penalties and interest thereon are due. 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 the purchase money.

(D)(1) Annually, on or before the thirty-first day of January, a 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 deducted from the person's prize award by the lottery sales agent during the preceding year.

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

(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.

(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.

(G) The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ 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.

Sec. 5751.07. (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 ~~718.054~~ 718.01 of the Revised Code to file returns and remit the tax, or may provide another means for taxpayers to file and remit the tax electronically.

(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.

(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:

(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;

(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.

(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.

Section 2. 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.

Section 3. This act is effective for municipal taxable years beginning on or after January 1, 2015. For municipal taxable years beginning before January 1, 2015, tax administrators may continue to administer, audit, and enforce the income tax of a municipal corporation under Chapter 718. and ordinances and resolutions of the municipal corporation as that chapter and those ordinances and resolutions existed before January 1, 2015.

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

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