

130th General Assembly
Regular Session
2013-2014

. B. No.

A BILL

To amend sections 709.023, 718.02, 718.03, 718.051, 1
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 2
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 3
5739.124, 5741.122, 5747.063, 5747.064, 5747.50, 4
and 5751.07, to amend, for the purpose of adopting 5
a new section number as indicated in parentheses, 6
section 718.04 (718.50), to enact new sections 7
718.01, 718.011, 718.04, 718.05, 718.06, 718.08, 8
and 718.12 and sections 718.012, 718.031, 718.052, 9
718.18, 718.19, 718.22 to 718.28, 718.30, 718.31, 10
718.35, 718.38, 718.41, and 718.99, to repeal 11
sections 718.01, 718.011, 718.041, 718.05, 718.06, 12
718.08, 718.12, and 718.14 of the Revised Code, 13
and to amend the version of section 5703.02 of the 14
Revised Code that is scheduled to take effect 15
January 1, 2015, to revise the laws governing 16
income taxes imposed by municipal corporations. 17

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

Section 1. That sections 709.023, 718.02, 718.03, 718.051, 18
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 19
5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 20
5747.064, 5747.50, and 5751.07 be amended, section 718.04 (718.50) 21
be amended for the purpose of adopting a new section number as 22
indicated in parentheses, and new sections 718.01, 718.011, 23

718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.012, 24
718.031, 718.052, 718.18, 718.19, 718.22, 718.23, 718.24, 718.25, 25
718.26, 718.27, 718.28, 718.30, 718.31, 718.35, 718.38, 718.41, 26
and 718.99 of the Revised Code be enacted to read as follows: 27

Sec. 709.023. (A) A petition filed under section 709.021 of 28
the Revised Code that requests to follow this section is for the 29
special procedure of annexing land into a municipal corporation 30
when, subject to division (H) of this section, the land also is 31
not to be excluded from the township under section 503.07 of the 32
Revised Code. The owners who sign this petition by their signature 33
expressly waive their right to appeal in law or equity from the 34
board of county commissioners' entry of any resolution under this 35
section, waive any rights they may have to sue on any issue 36
relating to a municipal corporation requiring a buffer as provided 37
in this section, and waive any rights to seek a variance that 38
would relieve or exempt them from that buffer requirement. 39

The petition circulated to collect signatures for the special 40
procedure in this section shall contain in boldface capital 41
letters immediately above the heading of the place for signatures 42
on each part of the petition the following: "WHOEVER SIGNS THIS 43
PETITION EXPRESSLY WAIVES THEIR RIGHT TO APPEAL IN LAW OR EQUITY 44
FROM THE BOARD OF COUNTY COMMISSIONERS' ENTRY OF ANY RESOLUTION 45
PERTAINING TO THIS SPECIAL ANNEXATION PROCEDURE, ALTHOUGH A WRIT 46
OF MANDAMUS MAY BE SOUGHT TO COMPEL THE BOARD TO PERFORM ITS 47
DUTIES REQUIRED BY LAW FOR THIS SPECIAL ANNEXATION PROCEDURE." 48

(B) Upon the filing of the petition in the office of the 49
clerk of the board of county commissioners, the clerk shall cause 50
the petition to be entered upon the board's journal at its next 51
regular session. This entry shall be the first official act of the 52
board on the petition. Within five days after the filing of the 53
petition, the agent for the petitioners shall notify in the manner 54

and form specified in this division the clerk of the legislative 55
authority of the municipal corporation to which annexation is 56
proposed, the fiscal officer of each township any portion of which 57
is included within the territory proposed for annexation, the 58
clerk of the board of county commissioners of each county in which 59
the territory proposed for annexation is located other than the 60
county in which the petition is filed, and the owners of property 61
adjacent to the territory proposed for annexation or adjacent to a 62
road that is adjacent to that territory and located directly 63
across that road from that territory. The notice shall refer to 64
the time and date when the petition was filed and the county in 65
which it was filed and shall have attached or shall be accompanied 66
by a copy of the petition and any attachments or documents 67
accompanying the petition as filed. 68

Notice to a property owner is sufficient if sent by regular 69
United States mail to the tax mailing address listed on the county 70
auditor's records. Notice to the appropriate government officer 71
shall be given by certified mail, return receipt requested, or by 72
causing the notice to be personally served on the officer, with 73
proof of service by affidavit of the person who delivered the 74
notice. Proof of service of the notice on each appropriate 75
government officer shall be filed with the board of county 76
commissioners with which the petition was filed. 77

(C) Within twenty days after the date that the petition is 78
filed, the legislative authority of the municipal corporation to 79
which annexation is proposed shall adopt an ordinance or 80
resolution stating what services the municipal corporation will 81
provide, and an approximate date by which it will provide them, to 82
the territory proposed for annexation, upon annexation. The 83
municipal corporation is entitled in its sole discretion to 84
provide to the territory proposed for annexation, upon annexation, 85
services in addition to the services described in that ordinance 86

or resolution. 87

If the territory proposed for annexation is subject to zoning 88
regulations adopted under either Chapter 303. or 519. of the 89
Revised Code at the time the petition is filed, the legislative 90
authority of the municipal corporation also shall adopt an 91
ordinance or resolution stating that, if the territory is annexed 92
and becomes subject to zoning by the municipal corporation and 93
that municipal zoning permits uses in the annexed territory that 94
the municipal corporation determines are clearly incompatible with 95
the uses permitted under current county or township zoning 96
regulations in the adjacent land remaining within the township 97
from which the territory was annexed, the legislative authority of 98
the municipal corporation will require, in the zoning ordinance 99
permitting the incompatible uses, the owner of the annexed 100
territory to provide a buffer separating the use of the annexed 101
territory and the adjacent land remaining within the township. For 102
the purposes of this section, "buffer" includes open space, 103
landscaping, fences, walls, and other structured elements; streets 104
and street rights-of-way; and bicycle and pedestrian paths and 105
sidewalks. 106

The clerk of the legislative authority of the municipal 107
corporation to which annexation is proposed shall file the 108
ordinances or resolutions adopted under this division with the 109
board of county commissioners within twenty days following the 110
date that the petition is filed. The board shall make these 111
ordinances or resolutions available for public inspection. 112

(D) Within twenty-five days after the date that the petition 113
is filed, the legislative authority of the municipal corporation 114
to which annexation is proposed and each township any portion of 115
which is included within the territory proposed for annexation may 116
adopt and file with the board of county commissioners an ordinance 117
or resolution consenting or objecting to the proposed annexation. 118

An objection to the proposed annexation shall be based solely upon 119
the petition's failure to meet the conditions specified in 120
division (E) of this section. 121

If the municipal corporation and each of those townships 122
timely files an ordinance or resolution consenting to the proposed 123
annexation, the board at its next regular session shall enter upon 124
its journal a resolution granting the proposed annexation. If, 125
instead, the municipal corporation or any of those townships files 126
an ordinance or resolution that objects to the proposed 127
annexation, the board of county commissioners shall proceed as 128
provided in division (E) of this section. Failure of the municipal 129
corporation or any of those townships to timely file an ordinance 130
or resolution consenting or objecting to the proposed annexation 131
shall be deemed to constitute consent by that municipal 132
corporation or township to the proposed annexation. 133

(E) Unless the petition is granted under division (D) of this 134
section, not less than thirty or more than forty-five days after 135
the date that the petition is filed, the board of county 136
commissioners shall review it to determine if each of the 137
following conditions has been met: 138

(1) The petition meets all the requirements set forth in, and 139
was filed in the manner provided in, section 709.021 of the 140
Revised Code. 141

(2) The persons who signed the petition are owners of the 142
real estate located in the territory proposed for annexation and 143
constitute all of the owners of real estate in that territory. 144

(3) The territory proposed for annexation does not exceed 145
five hundred acres. 146

(4) The territory proposed for annexation shares a contiguous 147
boundary with the municipal corporation to which annexation is 148
proposed for a continuous length of at least five per cent of the 149

perimeter of the territory proposed for annexation. 150

(5) The annexation will not create an unincorporated area of 151
the township that is completely surrounded by the territory 152
proposed for annexation. 153

(6) The municipal corporation to which annexation is proposed 154
has agreed to provide to the territory proposed for annexation the 155
services specified in the relevant ordinance or resolution adopted 156
under division (C) of this section. 157

(7) If a street or highway will be divided or segmented by 158
the boundary line between the township and the municipal 159
corporation as to create a road maintenance problem, the municipal 160
corporation to which annexation is proposed has agreed as a 161
condition of the annexation to assume the maintenance of that 162
street or highway or to otherwise correct the problem. As used in 163
this section, "street" or "highway" has the same meaning as in 164
section 4511.01 of the Revised Code. 165

(F) Not less than thirty or more than forty-five days after 166
the date that the petition is filed, if the petition is not 167
granted under division (D) of this section, the board of county 168
commissioners, if it finds that each of the conditions specified 169
in division (E) of this section has been met, shall enter upon its 170
journal a resolution granting the annexation. If the board of 171
county commissioners finds that one or more of the conditions 172
specified in division (E) of this section have not been met, it 173
shall enter upon its journal a resolution that states which of 174
those conditions the board finds have not been met and that denies 175
the petition. 176

(G) If a petition is granted under division (D) or (F) of 177
this section, the clerk of the board of county commissioners shall 178
proceed as provided in division (C)(1) of section 709.033 of the 179
Revised Code, except that no recording or hearing exhibits would 180

be involved. There is no appeal in law or equity from the board's 181
entry of any resolution under this section, but any party may seek 182
a writ of mandamus to compel the board of county commissioners to 183
perform its duties under this section. 184

(H) Notwithstanding anything to the contrary in section 185
503.07 of the Revised Code, unless otherwise provided in an 186
annexation agreement entered into pursuant to section 709.192 of 187
the Revised Code or in a cooperative economic development 188
agreement entered into pursuant to section 701.07 of the Revised 189
Code, territory annexed into a municipal corporation pursuant to 190
this section shall not at any time be excluded from the township 191
under section 503.07 of the Revised Code and, thus, remains 192
subject to the township's real property taxes. 193

(I) Any owner of land that remains within a township and that 194
is adjacent to territory annexed pursuant to this section who is 195
directly affected by the failure of the annexing municipal 196
corporation to enforce compliance with any zoning ordinance it 197
adopts under division (C) of this section requiring the owner of 198
the annexed territory to provide a buffer zone, may commence in 199
the court of common pleas a civil action against that owner to 200
enforce compliance with that buffer requirement whenever the 201
required buffer is not in place before any development of the 202
annexed territory begins. 203

~~(J) Division (H)(12) of section 718.01 of the Revised Code 204
applies to the compensation paid to persons performing personal 205
services for a political subdivision on property owned by the 206
political subdivision after that property is annexed to a 207
municipal corporation under this section. 208~~

Sec. 718.01. Any term used in this chapter that is not 209
otherwise defined in this chapter has the same meaning as when 210
used in a comparable context in laws of the United States relating 211

to federal income taxation or in Title LVII of the Revised Code, 212
unless a different meaning is clearly required. If a term used in 213
this chapter that is not otherwise defined in this chapter is used 214
in a comparable context in both the laws of the United States 215
relating to federal income tax and in Title LVII of the Revised 216
Code and the use is not consistent, then the use of the term in 217
the laws of the United States relating to federal income tax shall 218
control over the use of the term in Title LVII of the Revised 219
Code. 220

As used in this chapter: 221

(A)(1) "Municipal taxable income" means the following: 222

(a) For a person other than an individual, income reduced by 223
exempt income to the extent otherwise included in income and then, 224
as applicable, apportioned or sitused to the municipal corporation 225
under section 718.02 of the Revised Code, and further reduced by 226
any pre-2015 net operating loss carryforward available to the 227
person for the municipal corporation. 228

(b)(i) For an individual who is a resident of a municipal 229
corporation other than a qualified municipal corporation, income 230
reduced by exempt income to the extent otherwise included in 231
income, then reduced as provided in division (A)(2) of this 232
section, and further reduced by any pre-2015 net operating loss 233
carryforward available to the individual for the municipal 234
corporation. 235

(ii) For an individual who is a resident of a qualified 236
municipal corporation, Ohio adjusted gross income reduced by 237
income exempted by the qualified municipal corporation from the 238
qualified municipal corporation's tax on or before December 31, 239
2013. If a qualified municipal corporation, on or before December 240
31, 2013, exempts income earned by individuals who are not 241
residents of the qualified municipal corporation and net profit of 242

persons that are not wholly located within the qualified municipal corporation, such individual or person shall have no municipal taxable income for the purposes of the tax levied by the qualified municipal corporation and may be exempted by the qualified municipal corporation from the requirements of section 718.03 of the Revised Code. 243
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(c) For an individual who is a nonresident of a municipal corporation, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2015 net operating loss carryforward available to the individual for the municipal corporation. 249
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(2) In computing the municipal taxable income of a taxpayer who is an individual, the taxpayer may subtract, as provided in division (A)(1)(b)(i) or (c) of this section, the amount of the individual's employee business expenses reported on the individual's form 2106 that the individual deducted for federal income tax purposes for the taxable year, subject to the limitation imposed by section 67 of the Internal Revenue Code. For the municipal corporation in which the taxpayer is a resident, the taxpayer may deduct all such expenses. For a municipal corporation in which the taxpayer is not a resident, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in that nonresident municipal corporation. 257
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(B) "Income" means the following: 270

(1) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or 271
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indirectly by the resident and any net profit of the resident. For 275
the purposes of division (B)(1) of this section, the distributive 276
share of any net operating loss attributable to an ownership 277
interest in a pass-through entity shall be allowed as a deduction 278
against any net profit of the resident generated during the same 279
taxable year. 280

(2) In the case of nonresidents, all income, salaries, 281
qualifying wages, commissions, and other compensation from 282
whatever source earned or received by the nonresident for work 283
done, services performed or rendered, or activities conducted in 284
the municipal corporation, including any net profit of the 285
nonresident, but excluding the nonresident's distributive share of 286
the net profit or loss of only pass-through entities owned 287
directly or indirectly by the nonresident. 288

(3) For taxpayers that are not individuals, net profit of the 289
taxpayer; 290

(4) Lottery, sweepstakes, gambling and sports winnings, 291
winnings from games of chance, and prizes and awards. If the 292
taxpayer is a professional gambler for federal income tax 293
purposes, the taxpayer may deduct related wagering losses and 294
expenses to the extent authorized under the Internal Revenue Code 295
and claimed against such winnings. 296

(C) "Exempt income" means all of the following: 297

(1) The military pay or allowances of members of the armed 298
forces of the United States or members of their reserve 299
components, including the national guard of any state; 300

(2)(a) Except as provided in division (C)(2)(b) of this 301
section, intangible income; 302

(b) A municipal corporation that taxed any type of intangible 303
income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 304
116th general assembly, may continue to tax that type of income if 305

a majority of the electors of the municipal corporation voting on 306
the question of whether to permit the taxation of that type of 307
intangible income after 1988 voted in favor thereof at an election 308
held on November 8, 1988. 309

(3) Social security benefits, railroad retirement benefits, 310
unemployment compensation, pension payments and benefits, 311
retirement benefit payments, payments from annuities, and similar 312
payments made to an employee or to the beneficiary of an employee 313
under a retirement program or plan, disability payments received 314
from private industry or local, state, or federal governments or 315
from charitable, religious or educational organizations, and the 316
proceeds of sickness, accident, or liability insurance policies. 317
As used in division (C)(3) of this section, "unemployment 318
compensation" does not include supplemental unemployment 319
compensation described in section 3402(o)(2) of the Internal 320
Revenue Code. 321

(4) The income of religious, fraternal, charitable, 322
scientific, literary, or educational institutions to the extent 323
such income is derived from tax-exempt real estate, tax-exempt 324
tangible or intangible property, or tax-exempt activities. 325

(5) Compensation paid under section 3501.28 or 3501.36 of the 326
Revised Code to a person serving as a precinct election official 327
to the extent that such compensation does not exceed one thousand 328
dollars for the taxable year. Such compensation in excess of one 329
thousand dollars for the taxable year may be subject to taxation 330
by a municipal corporation. A municipal corporation shall not 331
require the payer of such compensation to withhold any tax from 332
that compensation. 333

(6) Dues, contributions, and similar payments received by 334
charitable, religious, educational, or literary organizations or 335
labor unions, lodges, and similar organizations; 336

<u>(7) Alimony and child support received;</u>	337
<u>(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;</u>	338 339 340 341
<u>(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.</u>	342 343 344 345
<u>(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;</u>	346 347 348 349 350 351
<u>(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;</u>	352 353
<u>(12) Employee compensation that is not qualifying wages;</u>	354
<u>(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.</u>	355 356 357 358 359 360 361 362 363
<u>(14)(a) Except as provided in division (C)(14)(b) or (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined</u>	364 365 366 367

in section 3121(a) of the Internal Revenue Code or net earnings 368
from self-employment as defined in section 1402(a) of the Internal 369
Revenue Code. 370

(b) If, pursuant to division (H) of former section 718.01 of 371
the Revised Code as it existed before March 11, 2004, a majority 372
of the electors of a municipal corporation voted in favor of the 373
question at an election held on November 4, 2003, the municipal 374
corporation may continue after 2002 to tax an S corporation 375
shareholder's distributive share of net profits of an S 376
corporation. 377

(c) If, on December 6, 2002, a municipal corporation was 378
imposing, assessing, and collecting a tax on an S corporation 379
shareholder's distributive share of net profits of the S 380
corporation to the extent the distributive share would be 381
allocated or apportioned to this state under divisions (B)(1) and 382
(2) of section 5733.05 of the Revised Code if the S corporation 383
were a corporation subject to taxes imposed under Chapter 5733. of 384
the Revised Code, the municipal corporation may continue to impose 385
the tax on such distributive shares to the extent such shares 386
would be so allocated or apportioned to this state only until 387
December 31, 2004, unless a majority of the electors of the 388
municipal corporation voting on the question of continuing to tax 389
such shares after that date vote in favor of that question at an 390
election held November 2, 2004. If a majority of those electors 391
vote in favor of the question, the municipal corporation may 392
continue after December 31, 2004, to impose the tax on such 393
distributive shares only to the extent such shares would be so 394
allocated or apportioned to this state. 395

(d) A municipal corporation shall be deemed to have elected 396
to tax S corporation shareholders' distributive shares of net 397
profits of the S corporation in the hands of the shareholders if a 398
majority of the electors of a municipal corporation vote in favor 399

of a question at an election held under division (C)(14)(b) or (c) 400
of this section. The municipal corporation shall specify by 401
resolution or ordinance that the tax applies to the distributive 402
share of a shareholder of an S corporation in the hands of the 403
shareholder of the S corporation. 404

(15) To the extent authorized under a resolution or ordinance 405
adopted by a municipal corporation before January 1, 2015, all or 406
a portion of the income of individuals or a class of individuals 407
under nineteen years of age. 408

(16)(a) Except as provided in divisions (C)(16)(b), (c), and 409
(d) of this section, qualifying wages described in division (B)(1) 410
or (E) of section 718.011 of the Revised Code to the extent the 411
qualifying wages are not subject to withholding for the municipal 412
corporation under either of those divisions. 413

(b) The exemption provided in division (C)(16)(a) of this 414
section does not apply with respect to the municipal corporation 415
in which the employee resided at the time the employee earned the 416
qualifying wages. 417

(c) The exemption provided in division (C)(16)(a) of this 418
section does not apply to qualifying wages that an employer elects 419
to withhold under division (D)(2) of section 718.011 of the 420
Revised Code. 421

(d) The exemption provided in division (C)(16)(a) of this 422
section does not apply to qualifying wages if both of the 423
following conditions apply: 424

(i) For qualifying wages described in division (B)(1) of 425
section 718.011 of the Revised Code, the employee's employer 426
withholds and remits tax on the qualifying wages to the municipal 427
corporation in which the employee's principal place of work is 428
situated, or, for qualifying wages described in division (E) of 429
section 718.011 of the Revised Code, the employee's employer 430

withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located; 431
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(ii) The employee receives a refund of the tax described in division (C)(16)(c)(i) of this section on the basis of the employee not performing services in that municipal corporation. 433
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(17) Compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year. As used in division (C)(17) of this section, "nonresident individual" does not include a professional athlete, professional entertainer, or public figure as defined by section 718.011 of the Revised Code. 436
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(18) Income the taxation of which is prohibited by the constitution or laws of the United States. 443
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Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income. 445
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(D)(1) "Net profit" for a person other than an individual means adjusted federal taxable income. 450
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(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, or schedule F 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 (E)(8) of this section. 452
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(3) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, 459
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but shall instead be included in the net profit of the owner of 462
the disregarded entity. 463

(E) "Adjusted federal taxable income," for a person required 464
to file as a C corporation means a C corporation's federal taxable 465
income before net operating losses and special deductions as 466
determined under the Internal Revenue Code, adjusted as follows: 467

(1) Deduct intangible income to the extent included in 468
federal taxable income. The deduction shall be allowed regardless 469
of whether the intangible income relates to assets used in a trade 470
or business or assets held for the production of income. 471

(2) Add an amount equal to five per cent of intangible income 472
deducted under division (E)(1) of this section, but excluding that 473
portion of intangible income directly related to the sale, 474
exchange, or other disposition of property described in section 475
1221 of the Internal Revenue Code; 476

(3) Add any losses allowed as a deduction in the computation 477
of federal taxable income if the losses directly relate to the 478
sale, exchange, or other disposition of an asset described in 479
section 1221 or 1231 of the Internal Revenue Code; 480

(4)(a) Except as provided in division (E)(4)(b) of this 481
section, deduct income and gain included in federal taxable income 482
to the extent the income and gain directly relate to the sale, 483
exchange, or other disposition of an asset described in section 484
1221 or 1231 of the Internal Revenue Code; 485

(b) Division (E)(4)(a) of this section does not apply to the 486
extent the income or gain is income or gain described in section 487
1245 or 1250 of the Internal Revenue Code. 488

(5) Add taxes on or measured by net income allowed as a 489
deduction in the computation of federal taxable income; 490

(6) In the case of a real estate investment trust or 491

regulated investment company, add all amounts with respect to 492
dividends to, distributions to, or amounts set aside for or 493
credited to the benefit of investors and allowed as a deduction in 494
the computation of federal taxable income; 495

(7) Deduct, to the extent not otherwise deducted or excluded 496
in computing federal taxable income, any income derived from the 497
enterprise transferred under that agreement under section 4313.02 498
of the Revised Code; 499

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) 500
of this section, deduct the following: 501

(i) For a municipal corporation that levies an income tax 502
before January 1, 2015, any net operating loss incurred by the 503
person in taxable years beginning after 2015. 504

(ii) For a municipal corporation that does not levy an income 505
tax before January 1, 2015, any net operating loss incurred by the 506
person in taxable years beginning on or after the effective date 507
of the income tax. 508

For any municipal corporation, the amount of the net 509
operating loss shall be deducted from net profit reduced by exempt 510
income to the extent necessary to reduce municipal taxable income 511
to zero, with any remaining unused portion of the net operating 512
loss carried forward to not more than five consecutive taxable 513
years following the taxable year in which the loss was incurred, 514
but in no case for more years than necessary for the deduction to 515
be fully utilized. 516

(b) No person shall use the deduction allowed by division 517
(E)(8) of this section to offset qualifying wages. 518

(c)(i) For taxable years beginning in 2017, 2018, 2019, 2020, 519
or 2021, a person may not deduct, for purposes of an income tax 520
levied by a municipal corporation that levies an income tax before 521
January 1, 2015, more than fifty per cent of the amount of the 522

deduction otherwise allowed by division (E)(8)(a) of this section. 523

(ii) For taxable years beginning in 2022 or thereafter, a 524
person may deduct, for purposes of an income tax levied by a 525
municipal corporation that levies an income tax before January 1, 526
2015, the full amount allowed by division (E)(8)(a) of this 527
section. 528

(d) Any pre-2015 net operating loss carryforward deduction 529
that is available must be utilized before a taxpayer may deduct 530
any amount pursuant to division (E)(8) of this section. 531

(e) Nothing in divisions (E)(8)(c)(i) and (ii) of this 532
section precludes a person from carrying forward, for the period 533
otherwise permitted under division (E)(8)(a) of this section, any 534
amount of net operating loss that was not fully utilized by 535
operation of divisions (E)(8)(c)(i) and (ii) of this section. 536

(9) Deduct any net profit of a pass-through entity owned 537
directly or indirectly by the taxpayer and included in the 538
taxpayer's federal taxable income unless an affiliated group of 539
corporations includes that net profit in the group's federal 540
taxable income in accordance with division (E)(3)(b) of section 541
718.06 of the Revised Code. 542

(10) Add any loss incurred by a pass-through entity owned 543
directly or indirectly by the taxpayer and included in the 544
taxpayer's federal taxable income unless an affiliated group of 545
corporations includes that loss in the group's federal taxable 546
income in accordance with division (E)(3)(b) of section 718.06 of 547
the Revised Code. 548

If the taxpayer is not a C corporation, is not a disregarded 549
entity, and is not an individual, the taxpayer shall compute 550
adjusted federal taxable income under this section as if the 551
taxpayer were a C corporation, except guaranteed payments and 552
other similar amounts paid or accrued to a partner, former 553

partner, shareholder, former shareholder, member, or former member 554
shall not be allowed as a deductible expense unless such payments 555
are in consideration for the use of capital and treated as payment 556
of interest under section 469 of the Internal Revenue Code or 557
United States treasury regulations. Amounts paid or accrued to a 558
qualified self-employed retirement plan with respect to a partner, 559
former partner, shareholder, former shareholder, member, or former 560
member of the taxpayer, amounts paid or accrued to or for health 561
insurance for a partner, former partner, shareholder, former 562
shareholder, member, or former member, and amounts paid or accrued 563
to or for life insurance for a partner, former partner, 564
shareholder, former shareholder, member, or former member shall 565
not be allowed as a deduction. 566

Nothing in division (E) of this section shall be construed as 567
allowing the taxpayer to add or deduct any amount more than once 568
or shall be construed as allowing any taxpayer to deduct any 569
amount paid to or accrued for purposes of federal self-employment 570
tax. 571

(F) "Schedule C" means internal revenue service schedule C 572
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 573
Code. 574

(G) "Schedule E" means internal revenue service schedule E 575
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 576
Code. 577

(H) "Schedule F" means internal revenue service schedule F 578
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 579
Code. 580

(I) "Internal Revenue Code" has the same meaning as in 581
section 5747.01 of the Revised Code. 582

(J) "Resident" means an individual who is domiciled in the 583
municipal corporation as determined under section 718.012 of the 584

<u>Revised Code.</u>	585
<u>(K) "Nonresident" means an individual that is not a resident.</u>	586
<u>(L)(1) "Taxpayer" means a person subject to a tax levied on</u>	587
<u>income by a municipal corporation in accordance with this chapter.</u>	588
<u>"Taxpayer" does not include a grantor trust or, except as provided</u>	589
<u>in division (L)(2)(a) of this section, a disregarded entity.</u>	590
<u>(2)(a) A single member limited liability company that is a</u>	591
<u>disregarded entity for federal tax purposes may be a separate</u>	592
<u>taxpayer from its single member in all Ohio municipal corporations</u>	593
<u>in which it either filed as a separate taxpayer or did not file</u>	594
<u>for its taxable year ending in 2003, if all of the following</u>	595
<u>conditions are met:</u>	596
<u>(i) The limited liability company's single member is also a</u>	597
<u>limited liability company.</u>	598
<u>(ii) The limited liability company and its single member were</u>	599
<u>formed and doing business in one or more Ohio municipal</u>	600
<u>corporations for at least five years before January 1, 2004.</u>	601
<u>(iii) Not later than December 31, 2004, the limited liability</u>	602
<u>company and its single member each made an election to be treated</u>	603
<u>as a separate taxpayer under division (L) of this section as this</u>	604
<u>section existed on December 31, 2004.</u>	605
<u>(iv) The limited liability company was not formed for the</u>	606
<u>purpose of evading or reducing Ohio municipal corporation income</u>	607
<u>tax liability of the limited liability company or its single</u>	608
<u>member.</u>	609
<u>(v) The Ohio municipal corporation that was the primary place</u>	610
<u>of business of the sole member of the limited liability company</u>	611
<u>consented to the election.</u>	612
<u>(b) For purposes of division (L)(2)(a)(v) of this section, a</u>	613
<u>municipal corporation was the primary place of business of a</u>	614

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.

(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 disregarded entity.

(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 member.

(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: 646

(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. 647
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(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. 650
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(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. 654
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(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. 660
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(2) Add the following amounts: 667

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986. 668
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(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 670
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to those amounts constituting ordinary income. 677

(c) Any amount not included in wages if the amount is an 678
amount described in section 401(k), 403(b), or 457 of the Internal 679
Revenue Code. Division (R)(2)(c) of this section applies only to 680
employee contributions and employee deferrals. 681

(d) Any amount that is supplemental unemployment compensation 682
benefits described in section 3402(o)(2) of the Internal Revenue 683
Code and not included in wages. 684

(e) Any amount received that is treated as self-employment 685
income for federal tax purposes in accordance with section 686
1402(a)(8) of the Internal Revenue Code. 687

(f) Any amount not included in wages if all of the following 688
apply: 689

(i) For the taxable year the amount is employee compensation 690
that is included in the taxpayer's gross income for federal income 691
tax purposes; 692

(ii) For no preceding taxable year did the amount constitute 693
wages as defined in section 3121(a) of the Internal Revenue Code; 694

(iii) For no succeeding taxable year will the amount 695
constitute wages; and 696

(iv) For any taxable year the amount has not otherwise been 697
added to wages pursuant to either division (R)(2) of this section 698
or section 718.03 of the Revised Code, as that section existed 699
before the effective date of H.B. 5 of the 130th general assembly. 700

(S) "Intangible income" means income of any of the following 701
types: income yield, interest, capital gains, dividends, or other 702
income arising from the ownership, sale, exchange, or other 703
disposition of intangible property including, but not limited to, 704
investments, deposits, money, or credits as those terms are 705
defined in Chapter 5701. of the Revised Code, and patents, 706

copyrights, trademarks, tradenames, investments in real estate 707
investment trusts, investments in regulated investment companies, 708
and appreciation on deferred compensation. "Intangible income" 709
does not include prizes, awards, or other income associated with 710
any lottery winnings, gambling winnings, or other similar games of 711
chance. 712

(T) "Taxable year" means the corresponding tax reporting 713
period as prescribed for the taxpayer under the Internal Revenue 714
Code. 715

(U) "Tax administrator" means the individual charged with 716
direct responsibility for administration of an income tax levied 717
by a municipal corporation in accordance with this chapter, and 718
also includes the following: 719

(1) A municipal corporation acting as the agent of another 720
municipal corporation; 721

(2) A person retained by a municipal corporation to 722
administer a tax levied by the municipal corporation, but only if 723
the municipal corporation does not compensate the person in whole 724
or in part on a contingency basis; 725

(3) The central collection agency or the regional income tax 726
agency or their successors in interest, or another entity 727
organized to perform functions similar to those performed by the 728
central collection agency and the regional income tax agency. 729

(V) "Employer" means a person that is an employer for federal 730
income tax purposes. 731

(W) "Employee" means an individual who is an employee for 732
federal income tax purposes. 733

(X) "Other payer" means any person, other than an 734
individual's employer or the employer's agent, that pays an 735
individual any amount included in the federal gross income of the 736

individual. "Other payer" includes casino operators and video lottery terminal sales agents. 737
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(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December. 739
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(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code. 741
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(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. 743
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(BB) "Disregarded entity" means a single member limited liability company, or a qualifying subchapter S subsidiary or another entity that is a disregarded entity for federal income tax purposes. 747
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(CC) "Generic form" means an electronic or paper form designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim. 751
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(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. 756
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(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. 759
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(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code. 764
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(GG) "Net operating loss" means a loss incurred by a person 766

in the operation of a trade or business and includes unutilized 767
losses resulting from basis limitations, at-risk limitations, or 768
passive activity loss limitations. 769

(HH) "Casino operator" and "casino facility" have the same 770
meanings as in section 3772.01 of the Revised Code. 771

(II) "Video lottery terminal" has the same meaning as in 772
section 3770.21 of the Revised Code. 773

(JJ) "Video lottery terminal sales agent" means a lottery 774
sales agent licensed under Chapter 3770. of the Revised Code to 775
conduct video lottery terminals on behalf of the state pursuant to 776
section 3770.21 of the Revised Code. 777

(KK) "Postal service" means the United States postal service. 778

(LL) "Certified mail," "express mail," "United States mail," 779
"postal service," and similar terms include any delivery service 780
authorized pursuant to section 5703.056 of the Revised Code. 781

(MM) "Postmark date," "date of postmark," and similar terms 782
include the date recorded and marked in the manner described in 783
division (B)(3) of section 5703.056 of the Revised Code. 784

(NN) "Related member" means a person that, with respect to 785
the taxpayer during all or any portion of the taxable year, is 786
either a related entity, a component member as defined in section 787
1563(b) of the Internal Revenue Code, or a person to or from whom 788
there is attribution of stock ownership in accordance with section 789
1563(e) of the Internal Revenue Code except, for purposes of 790
determining whether a person is a related member under this 791
division, "twenty per cent" shall be substituted for "5 percent" 792
wherever "5 percent" appears in section 1563(e) of the Internal 793
Revenue Code. 794

(OO) "Related entity" means any of the following: 795

(1) An individual stockholder, or a member of the 796

stockholder's family enumerated in section 318 of the Internal 797
Revenue Code, if the stockholder and the members of the 798
stockholder's family own directly, indirectly, beneficially, or 799
constructively, in the aggregate, at least fifty per cent of the 800
value of the taxpayer's outstanding stock; 801

(2) A stockholder, or a stockholder's partnership, estate, 802
trust, or corporation, if the stockholder and the stockholder's 803
partnerships, estates, trusts, or corporations own directly, 804
indirectly, beneficially, or constructively, in the aggregate, at 805
least fifty per cent of the value of the taxpayer's outstanding 806
stock; 807

(3) A corporation, or a party related to the corporation in a 808
manner that would require an attribution of stock from the 809
corporation to the party or from the party to the corporation 810
under division (00)(4) of this section, provided the taxpayer owns 811
directly, indirectly, beneficially, or constructively, at least 812
fifty per cent of the value of the corporation's outstanding 813
stock; 814

(4) The attribution rules described in section 318 of the 815
Internal Revenue Code apply for the purpose of determining whether 816
the ownership requirements in divisions (00)(1) to (3) of this 817
section have been met. 818

(PP)(1) "Written determination by the tax administrator" 819
means either a written ruling by a tax administrator in response 820
to a written request by a taxpayer or a written finding of the tax 821
administrator, regarding the taxpayer's municipal income tax 822
liability, including tax, penalty, interest, or any combination 823
thereof, to the municipal corporation that commences the person's 824
time limitation for making an appeal to the local board of tax 825
review pursuant to section 718.11 of the Revised Code and that has 826
"written determination" printed in all capital letters in a font 827
size no smaller than eighteen point at the top of the first page 828

of the written ruling. 829

(2) "Written determination by the tax administrator" does not 830
include a denial, in whole or in part, of a taxpayer's refund 831
claim based on an originally filed annual tax return, a billing 832
statement notifying a taxpayer of current or past-due balances 833
owed to the municipal corporation, a tax administrator's request 834
for additional information, a notification to the taxpayer of 835
mathematical errors, or a tax administrator's other written 836
correspondence to a person or taxpayer. 837

(OO) "Taxpayer rights and responsibilities" means the rights 838
provided to taxpayers in sections 718.11, 718.12, 718.18, 718.19, 839
718.23, 718.38, 5717.011, and 5717.03 of the Revised Code and the 840
responsibilities of taxpayers to file, report, withhold, remit, 841
and pay municipal income tax and otherwise comply with Chapter 842
718. of the Revised Code and resolutions, ordinances, and rules 843
adopted by a municipal corporation for the imposition and 844
administration of a municipal income tax. 845

(RR) "Qualified municipal corporation" means a municipal 846
corporation that, by resolution or ordinance adopted on or before 847
December 31, 2011, adopted Ohio adjusted gross income, as defined 848
by section 5747.01 of the Revised Code, as the income subject to 849
tax for the purposes of imposing a municipal income tax. 850

(SS)(1) "Pre-2015 net operating loss carryforward" means any 851
net operating loss incurred in a taxable year beginning before 852
January 1, 2015, to the extent such loss was permitted, by a 853
resolution or ordinance of the municipal corporation that was 854
adopted by the municipal corporation before January 1, 2015, to be 855
carried forward and utilized to offset income or net profit 856
generated in such municipal corporation in future taxable years. 857

(2) For the purpose of calculating municipal taxable income, 858
any pre-2015 net operating loss carryforward may be carried 859

forward to any taxable year, including taxable years beginning in 860
2015 or thereafter, for the number of taxable years provided in 861
the resolution or ordinance or until fully utilized, whichever is 862
earlier. 863

Sec. 718.011. (A) As used in this section: 864

(1) "Employer" includes a person that is a related member to 865
or of an employer. 866

(2) "Professional athlete" means an athlete who performs 867
services in a professional athletic event for wages or other 868
remuneration. 869

(3) "Professional entertainer" means a person who performs 870
services in the professional performing arts for wages or other 871
remuneration on a per-event basis. 872

(4) "Public figure" means a person of prominence who performs 873
services at discrete events, such as speeches, public appearances, 874
or similar events, for wages or other remuneration on a per-event 875
basis. 876

(5) "Fixed location" means a permanent place of doing 877
business in this state, such as an office, warehouse, storefront, 878
or similar location owned or controlled by an employer. 879

(6) "Worksite location" means a construction site or other 880
temporary worksite in this state at which the employer provides 881
services for more than twenty days during the calendar year. 882
"Worksite location" does not include the home of an employee. 883

(7) "Principal place of work" means the fixed location to 884
which an employee is required to report for employment duties on a 885
regular and ordinary basis. If the employee is not required to 886
report for employment duties on a regular and ordinary basis to a 887
fixed location, "principal place of work" means the worksite 888
location to which the employee is required to report for 889

employment duties on a regular and ordinary basis. If the employee 890
is not required to report for employment duties on a regular and 891
ordinary basis to a fixed location or worksite location, 892
"principal place of work" means the location in this state at 893
which the employee spends the greatest number of days in a 894
calendar year performing services for or on behalf of the 895
employee's employer. For the purposes of this division, the 896
location at which an employee spends a particular day shall be 897
determined in accordance with division (B)(2) of this section, 898
except that "location" shall be substituted for "municipal 899
corporation" wherever "municipal corporation" appears in that 900
division. 901

(B)(1) Subject to divisions (C), (E), and (F) of this 902
section, an employer is not required to withhold municipal income 903
tax on qualifying wages paid to an employee for the performance of 904
personal services in a municipal corporation that imposes such a 905
tax if the employee performed such services in the municipal 906
corporation on twenty or fewer days in a calendar year, unless one 907
of the following conditions applies: 908

(a) The employee's principal place of work is located in the 909
municipal corporation. 910

(b) The employee is a resident of the municipal corporation 911
and has requested that the employer withhold tax from the 912
employee's qualifying wages as provided in section 718.03 of the 913
Revised Code. 914

(c) The employee is a professional athlete, professional 915
entertainer, or public figure, and the qualifying wages are paid 916
for the performance of services in the employee's capacity as a 917
professional athlete, professional entertainer, or public figure. 918

(2) For the purposes of division (B)(1) of this section, an 919
employee shall be considered to have spent a day performing 920

services in a municipal corporation only if the employee spent 921
more time performing services for or on behalf of the employer in 922
that municipal corporation than in any other municipal corporation 923
on that day. For the purposes of determining the amount of time an 924
employee spent in a particular location, the time spent performing 925
one of more of the following activities shall be considered to 926
have been spent at the employee's principal place of work: 927

(a) Traveling to the location at which the employee will 928
first perform services for the employer for the day; 929

(b) Traveling from a location at which the employee was 930
performing services for the employer to any other location; 931

(c) Traveling from any location to another location in order 932
to pick up or load, for the purpose of transportation or delivery, 933
property that has been purchased, sold, assembled, fabricated, 934
repaired, refurbished, processed, remanufactured, or improved by 935
the employee's employer; 936

(d) Transporting or delivering property described in division 937
(B)(2)(c) of this section, provided that, upon delivery of the 938
property, the employee does not temporarily or permanently affix 939
the property to real estate owned, used, or controlled by a person 940
other than the employee's employer; 941

(e) Traveling from the location at which the employee makes 942
the employee's final delivery or pick-up for the day to either the 943
employee's principal place of work or a location at which the 944
employee will not perform services for the employer. 945

(C) If the principal place of work of an employee is located 946
in a municipal corporation that imposes an income tax in 947
accordance with this chapter, the exception from withholding 948
requirements described in division (B)(1) of this section shall 949
apply only if, with respect to the employee's qualifying wages 950
described in that division, the employer withholds and remits tax 951

on such qualifying wages to the municipal corporation in which the 952
employee's principal place of work is located. 953

(D)(1) Except as provided in division (D)(2) of this section, 954
if, during a calendar year, the number of days an employee spends 955
performing personal services in a municipal corporation exceeds 956
the twenty-day threshold described in division (B)(1) of this 957
section, the employer shall withhold and remit tax to that 958
municipal corporation for any subsequent days in that calendar 959
year on which the employer pays qualifying wages to the employee 960
for personal services performed in that municipal corporation. 961

(2) An employer required to begin withholding tax for a 962
municipal corporation under division (D)(1) of this section may 963
elect to withhold tax for that municipal corporation for the first 964
twenty days on which the employer paid qualifying wages to the 965
employee for personal services performed in that municipal 966
corporation. The employer shall make the election on the annual 967
tax return the employer files with the municipal corporation under 968
section 718.05 or 718.06 of the Revised Code. Taxes withheld and 969
paid by such an employer during those first twenty days to the 970
municipal corporation in which the employee's principal place of 971
work is located are refundable to the employee. 972

(E) Without regard to the number of days in a calendar year 973
on which an employee performs personal services in any municipal 974
corporation, an employer shall withhold municipal income tax on 975
all of the employee's qualifying wages for a taxable year and 976
remit that tax only to the municipal corporation in which the 977
employer's fixed location is located if the total gross receipts 978
of the employer for the preceding calendar year was less than five 979
hundred thousand dollars. 980

To determine whether an employer meets the requirements of 981
division (E) of this section for a taxable year, a tax 982
administrator may require the employer to provide the tax 983

administrator with the employer's federal income tax return for 984
the preceding taxable year. 985

(F) Divisions (B)(1) and (D) of this section shall not apply 986
to the extent that a tax administrator and an employer enter into 987
an agreement regarding the manner in which the employer shall 988
comply with the requirements of section 718.03 of the Revised 989
Code. 990

Sec. 718.012. (A)(1) As used in this chapter, "domicile" 991
means the principal residence that an individual intends to use 992
for an indefinite period of time and to which, whenever absent, 993
the individual intends to return. An individual is domiciled in a 994
municipal corporation for all or part of a taxable year if, based 995
on the factors described in division (B) of this section and any 996
other factor the tax administrator considers relevant or which 997
demonstrates an intent to return, the tax administrator reasonably 998
concludes that the individual is domiciled in the municipal 999
corporation for all or part of the taxable year. 1000

(2) An individual may rebut the conclusion of domicile 1001
described in division (A)(1) of this section only if, based on the 1002
factors described in division (B) of this section and any other 1003
factor the individual considers relevant, the individual 1004
establishes by a preponderance of the evidence that the individual 1005
was not domiciled in the municipal corporation for all or part of 1006
the taxable year. 1007

(B) The factors that a tax administrator may consider when 1008
determining whether an individual is domiciled in a municipal 1009
corporation for all or part of a taxable year include, but are not 1010
limited to, the following: 1011

(1) The location of law firms, accounting firms, health care 1012
providers, and similar professionals utilized by the individual or 1013
the individual's spouse; 1014

(2) The location of organizations described in section 501(c) of the Internal Revenue Code to which the individual or the individual's spouse make 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, or other business venture or entity in which the individual or the individual's spouse is a shareholder or limited partner or for which the individual or individual's spouse is a member of the board of directors;

(4) The location of the individual's friends, dependents as defined in section 152 of the Internal Revenue Code, and family members other than the individual's spouse;

(5) The location of educational institutions that are attended by the individual's dependents as defined in section 152 of the Internal Revenue Code or from which the individual or the individual's spouse or dependents claimed the benefit of in-state tuition rates available only to individuals domiciled in the state;

(6) The location of all businesses at which the individual or the individual's spouse makes purchases of tangible personal property;

(7) Whether the individual is registered to vote, or has voted, in the municipal corporation during the taxable year;

(8) The location at which the individual acquired or renewed the individual's Ohio driver's license, or the location at which the individual's vehicle is registered, for the taxable year;

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

(10) The location of any real property owned or leased by the individual or the individual's spouse. 1045
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(11) The address used by the individual or the individual's spouse on federal or state tax returns, bills, invoices, credit card statements, utility bills, and other mailings for the taxable year. 1047
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(C) A taxpayer has only one domicile. A domicile once acquired is presumed to continue until it is shown to have been changed. When a taxpayer alleges a change of domicile, the taxpayer bears the burden of proof of demonstrating the change as provided in division (A)(2) of this section. 1051
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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.~~ 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. 1056
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(A) Except as otherwise provided in division ~~(D)~~(B) 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: 1065
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(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 1071
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business or profession during the same period, wherever situated. 1076

As used in the preceding paragraph, tangible personal or real 1077
property shall include property rented or leased by the taxpayer 1078
and the value of such property shall be determined by multiplying 1079
the annual rental thereon by eight; 1080

(2) Wages, salaries, and other compensation paid during the 1081
taxable period to ~~persons~~ individuals employed in the business or 1082
profession for services performed in ~~such~~ the municipal 1083
corporation to wages, salaries, and other compensation paid during 1084
the same period to ~~persons~~ individuals employed in the business or 1085
profession, wherever ~~their~~ the individual's services are 1086
performed, excluding compensation ~~that is not taxable by the~~ 1087
~~municipal corporation under section 718.011~~ from which taxes are 1088
not required to be withheld under section 718.011 of the Revised 1089
Code; 1090

(3) ~~Gross~~ Total gross receipts of the business or profession 1091
from sales and rentals made and services performed during the 1092
taxable period in ~~such~~ the municipal corporation to total gross 1093
receipts of the business or profession during the same period from 1094
sales, rentals, and services, wherever made or performed. 1095

~~If the foregoing apportionment formula does not produce an~~ 1096
~~equitable result, another basis may be substituted, under uniform~~ 1097
~~regulations, so as to produce an equitable result.~~ 1098

~~(B) As used in division (A) of this section, "sales made in a~~ 1099
~~municipal corporation" mean:~~ 1100

~~(1) All sales of tangible personal property delivered within~~ 1101
~~such municipal corporation regardless of where title passes if~~ 1102
~~shipped or delivered from a stock of goods within such municipal~~ 1103
~~corporation;~~ 1104

~~(2) All sales of tangible personal property delivered within~~ 1105
~~such municipal corporation regardless of where title passes even~~ 1106

~~though transported from a point outside such municipal corporation 1107
if the taxpayer is regularly engaged through its own employees in 1108
the solicitation or promotion of sales within such municipal 1109
corporation and the sales result from such solicitation or 1110
promotion; 1111~~

~~(3) All sales of tangible personal property shipped from a 1112
place within such municipal corporation to purchasers outside such 1113
municipal corporation regardless of where title passes if the 1114
taxpayer is not, through its own employees, regularly engaged in 1115
the solicitation or promotion of sales at the place where delivery 1116
is made. 1117~~

~~(C) Except as otherwise provided in division (D) of this 1118
section, net (B)(1) If the apportionment factors described in 1119
division (A) of this section do not fairly represent the extent of 1120
a taxpayer's business activity in a municipal corporation, the tax 1121
administrator of the municipal corporation may require or allow 1122
the taxpayer to use, with respect to all or any portion of the 1123
income of the taxpayer, an alternative apportionment method 1124
involving one or more of the following: 1125~~

~~(a) Separate accounting; 1126~~

~~(b) The exclusion of one or more of the factors; 1127~~

~~(c) The inclusion of one or more additional factors that 1128
would provide for a more fair apportionment of the income of the 1129
taxpayer to the municipal corporation; 1130~~

~~(d) A modification of one or more of the factors. 1131~~

~~(2) A taxpayer may request to use an alternative 1132
apportionment method under this division by submitting a request 1133
to the tax administrator. The request shall be in writing. 1134~~

~~A taxpayer may not use an alternative apportionment method on 1135
the taxpayer's tax return without notifying the tax administrator 1136~~

before filing the return. A taxpayer may not use an alternative 1137
apportionment method, an alternative method of accounting, or an 1138
alternative method of filing on a timely filed amended tax return 1139
without notifying the tax administrator before filing the return. 1140
If approved, an alternative apportionment method shall apply only 1141
to the taxable years included in the taxpayer's request unless the 1142
tax administrator provides otherwise in writing. 1143

(3) Nothing in this section prohibits a taxpayer that 1144
requests the use of an alternative apportionment method in one or 1145
more taxable years from requesting the use of an alternative 1146
method in any subsequent taxable year. The approval or denial of a 1147
taxpayer's request to use an alternative method in one taxable 1148
year shall not limit the authority of the tax administrator to 1149
approve or deny requests from the same taxpayer with respect to 1150
subsequent taxable years. 1151

(C) As used in division (A)(2) of this section, "wages, 1152
salaries, and other compensation" includes only wages, salaries, 1153
or other compensation paid to an employee for services performed 1154
at any of the following locations: 1155

(1) A location that is owned, controlled, or used by, rented 1156
to, or under the possession of one of the following: 1157

(a) The employer; 1158

(b) A vendor, customer, client, or patient of the employer, 1159
or a related member of such a vendor, customer, client, or 1160
patient; 1161

(c) A vendor, customer, client, or patient of a person 1162
described in division (C)(1)(b) of this section, or a related 1163
member of such a vendor, customer, client, or patient. 1164

(2) Any location at which a trial, appeal, hearing, 1165
investigation, inquiry, review, court-martial, or similar 1166
administrative, judicial, or legislative matter or proceeding is 1167

being conducted, provided that the compensation is paid for 1168
services performed for, or on behalf of, the employer or that the 1169
employee's presence at the location directly or indirectly 1170
benefits the employer; 1171

(3) Any other location, if the tax administrator determines 1172
that the employer directed the employee to perform the services at 1173
the other location in lieu of a location described in division 1174
(C)(1) or (2) of this section solely in order to avoid or reduce 1175
the employer's municipal income tax liability. If a tax 1176
administrator makes such a determination, the employer may dispute 1177
the determination by establishing, by a preponderance of the 1178
evidence, that the tax administrator's determination was 1179
unreasonable. 1180

(D) For the purposes of division (A)(3) of this section, 1181
receipts from sales and rentals made and services performed shall 1182
be sitused to a municipal corporation as follows: 1183

(1) Gross receipts from the sale of tangible personal 1184
property shall be sitused to the municipal corporation in which 1185
the sale originated. For the purposes of this division, a sale of 1186
property originates in a municipal corporation if, regardless of 1187
where title passes, the property meets any of the following 1188
criteria: 1189

(a) The property is shipped to or delivered within the 1190
municipal corporation from a stock of goods located within the 1191
municipal corporation. 1192

(b) The property is delivered within the municipal 1193
corporation from a location outside the municipal corporation, 1194
provided the taxpayer is regularly engaged through its own 1195
employees in the solicitation or promotion of sales within such 1196
municipal corporation and the sales result from such solicitation 1197
or promotion. 1198

(c) The property is shipped from a place within the municipal corporation to purchasers outside the municipal corporation, provided that the taxpayer is not regularly engaged in the solicitation or promotion of sales at the place where delivery is made. 1199
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(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. 1204
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(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. 1207
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(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. 1210
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(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. 1213
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(E) The net profit of an individual 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 and the municipal corporation in which the taxpayer that receives the net profit resides. 1217
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~~(D) This section does not apply to individuals who are residents of the municipal corporation and, except as otherwise provided in section 719.01 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.~~ 1222
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~~(E) If, in computing the taxpayer's adjusted federal taxable income, the taxpayer deducted any amount with respect to a stock~~ 1228
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~~option granted to an employee, and if the employee is not required 1230
to include in income any amount or any portion thereof because it 1231
is exempted from taxation under division (H)(10) of section 718.01 1232
of the Revised Code and division (A)(2)(d) of section 718.03 of 1233
the Revised Code by a municipal corporation to which the taxpayer 1234
has apportioned a portion of its net profit, the taxpayer shall 1235
add the amount that is exempt from taxation to the taxpayer's net 1236
profit that was apportioned to that municipal corporation. In no 1237
case shall a taxpayer be required to add to its net profit that 1238
was apportioned to that municipal corporation any amount other 1239
than the amount upon which the employee would be required to pay 1240
tax were the amount related to the stock option not exempted from 1241
taxation. 1242~~

~~This division applies solely for the purpose of making an 1243
adjustment to the amount of a taxpayer's net profit that was 1244
apportioned to a municipal corporation under divisions (A) and (B) 1245
of this section. 1246~~

A municipal corporation shall allow taxpayers to elect to use 1247
separate accounting for the purpose of calculating net profit 1248
situated to the municipal corporation under this division, but 1249
shall permit such an election only if the taxpayer requests to 1250
make the same election in every municipal corporation in which the 1251
taxpayer must report such net profit for the taxable year and if 1252
the taxpayer agrees to use separate accounting with respect to 1253
such net profit in every municipal corporation that approves such 1254
a request for at least five consecutive taxable years after making 1255
the election. 1256

(F)(1) Except as provided in division (F)(2) of this section, 1257
commissions received by a real estate agent or broker relating to 1258
the sale, purchase, or lease of real estate shall be situated to 1259
the municipal corporation in which the real estate is located. Net 1260
profit reported by the real estate agent or broker shall be 1261

allocated to a municipal corporation based upon the ratio of the 1262
commissions the agent or broker received from the sale, purchase, 1263
or lease of real estate located in the municipal corporation to 1264
the commissions received from the sale, purchase, or lease of real 1265
estate everywhere in the taxable year. 1266

(2) An individual who is a resident of a municipal 1267
corporation that imposes a municipal income tax shall report the 1268
individual's net profit from all real estate activity on the 1269
individual's annual tax return for that municipal corporation. The 1270
individual may claim a credit for taxes the individual paid on 1271
such net profit to another municipal corporation to the extent 1272
that such a credit is allowed under the municipal income tax 1273
ordinance, or rules of the municipal corporation of residence. 1274

(G) If, in computing a taxpayer's adjusted federal taxable 1275
income, the taxpayer deducted any amount with respect to a stock 1276
option granted to an employee, and if the employee is not required 1277
to include in the employee's income any such amount or a portion 1278
thereof because it is exempted from taxation under divisions 1279
(C)(12) and (R)(1)(d) of section 718.01 of the Revised Code by a 1280
municipal corporation to which the taxpayer has apportioned a 1281
portion of its net profit, the taxpayer shall add the amount that 1282
is exempt from taxation to the taxpayer's net profit that was 1283
apportioned to that municipal corporation. In no case shall a 1284
taxpayer be required to add to its net profit that was apportioned 1285
to that municipal corporation any amount other than the amount 1286
upon which the employee would be required to pay tax were the 1287
amount related to the stock option not exempted from taxation. 1288

This division applies solely for the purpose of making an 1289
adjustment to the amount of a taxpayer's net profit that was 1290
apportioned to a municipal corporation under this section. 1291

(H) When calculating the ratios described in division (A) of 1292
this section for the purposes of that division or division (B) of 1293

this section, the owner of a disregarded entity shall include in 1294
the owner's ratios the property, payroll, and gross receipts of 1295
such disregarded entity. 1296

~~Sec. 718.03. (A) As used in this section:~~ 1297

~~(1) "Other payer" means any person, other than an~~ 1298
~~individual's employer or the employer's agent, that pays an~~ 1299
~~individual any amount included in the federal gross income of the~~ 1300
~~individual.~~ 1301

~~(2) "Qualifying wages" means wages, as defined in section~~ 1302
~~3121(a) of the Internal Revenue Code, without regard to any wage~~ 1303
~~limitations, adjusted as follows:~~ 1304

~~(a) Deduct the following amounts:~~ 1305

~~(i) Any amount included in wages if the amount constitutes~~ 1306
~~compensation attributable to a plan or program described in~~ 1307
~~section 125 of the Internal Revenue Code;~~ 1308

~~(ii) For purposes of division (B) of this section, any amount~~ 1309
~~included in wages if the amount constitutes payment on account of~~ 1310
~~sickness or accident disability.~~ 1311

~~(b) Add the following amounts:~~ 1312

~~(i) Any amount not included in wages solely because the~~ 1313
~~employee was employed by the employer prior to April 1, 1986;~~ 1314

~~(ii) Any amount not included in wages because the amount~~ 1315
~~arises from the sale, exchange, or other disposition of a stock~~ 1316
~~option, the exercise of a stock option, or the sale, exchange, or~~ 1317
~~other disposition of stock purchased under a stock option and the~~ 1318
~~municipal corporation has not, by resolution or ordinance,~~ 1319
~~exempted the amount from withholding and tax. Division~~ 1320
~~(A)(2)(b)(ii) of this section applies only to those amounts~~ 1321
~~constituting ordinary income.~~ 1322

~~(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 section 718.011 of the Revised Code or division 1354
(D) or (F) of this section. An employer, agent of an employer, or 1355
other payer shall deduct and withhold the tax from qualifying 1356
wages on the date that the employer, agent, or other payer 1357
directly, indirectly, or constructively pays the qualifying wages 1358
to, or credits the qualifying wages to the benefit of, the 1359
employee. 1360

An employer, agent of an employer, or other payer may deduct 1361
and withhold, on the request of an employee, taxes for the 1362
municipal corporation in which the employee is a resident. 1363

(B)(1) Except as provided in division (B)(2) of this section, 1364
an employer, agent of an employer, or other payer shall remit to 1365
the tax administrator of a municipal corporation the greater of 1366
the income taxes deducted and withheld or the income taxes 1367
required to be deducted and withheld by the employer, agent, or 1368
other payer according to the following schedule: 1369

(a) Taxes required to be deducted and withheld shall be 1370
remitted monthly to the tax administrator if the total taxes 1371
deducted and withheld or required to be deducted and withheld by 1372
the employer, agent, or other payer on behalf of the municipal 1373
corporation in the preceding calendar year exceeded two thousand 1374
three hundred ninety-nine dollars, or if the total amount of taxes 1375
deducted and withheld or required to be deducted and withheld on 1376
behalf of the municipal corporation in any month of the preceding 1377
calendar quarter exceeded two hundred dollars. 1378

Payment under division (B)(1)(a) of this section shall be 1379
made so that the payment is received by the tax administrator not 1380
later than fifteen days after the last day of each month. 1381

(b) Any employer, agent of an employer, or other payer not 1382
required to make payments under division (B)(1)(a) of this section 1383
of taxes required to be deducted and withheld shall make quarterly 1384

payments to the tax administrator not later than the fifteenth day 1385
of the month following the end of the fifteenth day of each 1386
calendar quarter. 1387

(2) Notwithstanding division (B)(1) of this section, a 1388
municipal corporation may require, by resolution, ordinance, or 1389
rule, an employer, agent of an employer, or other payer to do any 1390
of the following: 1391

(a) Remit taxes deducted and withheld semimonthly to the tax 1392
administrator if the total taxes deducted and withheld or required 1393
to be deducted and withheld on behalf of the municipal corporation 1394
in the preceding calendar year exceeded eleven thousand nine 1395
hundred ninety-nine dollars, or if the total amount of taxes 1396
deducted and withheld or required to be deducted and withheld on 1397
behalf of the municipal corporation in any month of the preceding 1398
calendar year exceeded one thousand dollars. The payment under 1399
division (B)(2)(a) of this section shall be made so that the 1400
payment is received by the tax administrator not later than one of 1401
the following: 1402

(i) If the taxes were deducted and withheld or required to be 1403
deducted and withheld during the first fifteen days of a month, 1404
the third banking day after the fifteenth day of that month; 1405

(ii) If the taxes were deducted and withheld or required to 1406
be deducted and withheld after the fifteenth day of a month and 1407
before the first day of the immediately following month, the third 1408
banking day after the last day of that month. 1409

(b) Remit electronically to the tax administrator on the 1410
following business day all taxes deducted and withheld on behalf 1411
of the municipal corporation if on any day the total amount of 1412
such taxes withheld but not remitted is at least one hundred 1413
thousand dollars. 1414

(c) Make payment by electronic funds transfer to the tax 1415

administrator of all taxes deducted and withheld on behalf of the 1416
municipal corporation if the employer, agent of an employer, or 1417
other payer that is required to make payments electronically for 1418
the purpose of paying federal taxes withheld on payments to 1419
employees under section 6302 of the Internal Revenue Code, 26 1420
C.F.R. 31.6302-1, or any other federal statute or regulation. The 1421
payment of tax by electronic funds transfer under this division 1422
does not affect an employer's, agent's, or other payer's 1423
obligation to file any return as required under this section. 1424

(C) An employer, agent of an employer, or other payer shall 1425
make and file a return showing the amount of tax withheld by the 1426
employer, agent, or other payer from the qualifying wages of each 1427
employee and remitted to the tax administrator. Unless the tax 1428
administrator requires all individual taxpayers to file a tax 1429
return under section 718.05 of the Revised Code, a return filed by 1430
an employer, agent, or other payer under this division shall be 1431
accepted by a tax administrator and municipal corporation as the 1432
return required of an employee whose sole income subject to the 1433
tax under this chapter is the qualifying wages reported by the 1434
employee's employer, agent of an employer, or other payer. 1435

(D) An employer, agent of an employer, or other payer is not 1436
required to ~~make any withholding~~ withhold municipal income tax 1437
with respect to an individual's disqualifying disposition of an 1438
incentive stock option if, at the time of the disqualifying 1439
disposition, the individual is not an employee of either the 1440
corporation with respect to whose stock the option has been issued 1441
or of such corporation's successor entity. 1442

~~(D)~~(E)(1) An employee is not relieved from liability for a 1443
tax by the failure of the employer, agent of an employer, or other 1444
payer to withhold the tax as required by a ~~municipal corporation~~ 1445
under this chapter or by the employer's, agent's, or other payer's 1446
exemption from the requirement to withhold the tax. 1447

(2) The failure of an employer, agent of an employer, or other payer to remit to the municipal corporation the tax withheld 1448
relieves the employee from liability for that tax unless the 1449
employee colluded with the employer, agent, or other payer in 1450
connection with the failure to remit the tax withheld. 1451
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~~(E)~~(F) Compensation deferred before June 26, 2003, is not 1453
subject to any municipal corporation income tax or municipal 1454
income tax withholding requirement to the extent the deferred 1455
compensation does not constitute qualifying wages at the time the 1456
deferred compensation is paid or distributed. 1457

~~(F)~~ A municipal corporation may require a casino facility or 1458
a casino operator, as defined in Section 6(C)(9) of Article XV, 1459
Ohio Constitution, and section 3772.01 of the Revised Code, 1460
respectively, or a lottery sales agent conducting video lottery 1461
terminals on behalf of the state to withhold and remit tax with 1462
respect to amounts other than qualifying wages. 1463

(G) Each employer, agent of an employer, or other payer 1464
required to withhold taxes is liable for the payment of that 1465
amount required to be withheld, whether or not such taxes have 1466
been withheld, and such amount shall be deemed to be held in trust 1467
for the municipal corporation until such time as the withheld 1468
amount is remitted to the tax administrator. 1469

(H) On or before the last day of February of each year, an 1470
employer shall file a withholding reconciliation return with the 1471
tax administrator listing the names, addresses, and social 1472
security numbers of all employees from whose qualifying wages tax 1473
was withheld or should have been withheld for the municipal 1474
corporation during the preceding calendar year, the amount of tax 1475
withheld from each employee, the total amount of qualifying wages 1476
paid to employees during the preceding calendar year and other 1477
information as may be required by the tax administrator. 1478

(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. 1479
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(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. 1489
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(K) A tax administrator shall consider any tax withheld by an employer at the request of an employee when such tax is not otherwise required to be withheld by this chapter to be tax required to be withheld and remitted for the purposes of this section. 1498
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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. 1503
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(B) If a person's winnings at a casino facility are an amount 1510
for which reporting to the internal revenue service of the amount 1511
is required by section 6041 of the Internal Revenue Code, as 1512
amended, the casino operator shall deduct and withhold municipal 1513
income tax from the person's winnings at the rate of the tax 1514
imposed by the municipal corporation in which the casino facility 1515
is located. 1516

(C) Amounts deducted and withheld by a casino operator are 1517
held in trust for the benefit of the municipal corporation to 1518
which the tax is owed. 1519

(1) On or before the tenth day of each month, the casino 1520
operator shall file a return electronically with the tax 1521
administrator of the municipal corporation, identifying the person 1522
from whose winnings amounts were deducted and withheld, the amount 1523
of each such deduction and withholding during the preceding 1524
calendar month, the amount of the winnings from which each such 1525
amount was withheld, the type of casino gaming that resulted in 1526
such winnings, and any other information required by the tax 1527
administrator. With this return, the casino operator shall remit 1528
electronically to the municipal corporation all amounts deducted 1529
and withheld during the preceding month. 1530

(2) Annually, on or before the thirty-first day of January, a 1531
casino operator shall file an annual return electronically with 1532
the tax administrator of the municipal corporation in which the 1533
casino facility is located, indicating the total amount deducted 1534
and withheld during the preceding calendar year. The casino 1535
operator shall remit electronically with the annual return any 1536
amount that was deducted and withheld and that was not previously 1537
remitted. If the identity of a person and the amount deducted and 1538
withheld with respect to that person were omitted on a monthly 1539
return for that reporting period, that information shall be 1540
indicated on the annual return. 1541

(3) Annually, on or before the thirty-first day of January, a 1542
casino operator shall issue an information return to each person 1543
with respect to whom an amount has been deducted and withheld 1544
during the preceding calendar year. The information return shall 1545
show the total amount of municipal income tax deducted from the 1546
person's winnings during the preceding year. The casino operator 1547
shall provide to the tax administrator a copy of each information 1548
return issued under this division. The administrator may require 1549
that such copies be transmitted electronically. 1550

(4) A casino operator that fails to file a return and remit 1551
the amounts deducted and withheld shall be personally liable for 1552
the amount withheld and not remitted. Such personal liability 1553
extends to any penalty and interest imposed for the late filing of 1554
a return or the late payment of tax deducted and withheld. 1555

(5) If a casino operator sells the casino facility or 1556
otherwise quits the casino business, the amounts deducted and 1557
withheld along with any penalties and interest thereon are 1558
immediately due and payable. The successor shall withhold an 1559
amount of the purchase money that is sufficient to cover the 1560
amounts deducted and withheld along with any penalties and 1561
interest thereon until the predecessor casino operator produces 1562
either of the following: 1563

(a) A receipt from the tax administrator showing that the 1564
amounts deducted and withheld and penalties and interest thereon 1565
have been paid; 1566

(b) A certificate from the tax administrator indicating that 1567
no amounts are due. 1568

If the successor fails to withhold purchase money, the 1569
successor is personally liable for the payment of the amounts 1570
deducted and withheld and penalties and interest thereon. 1571

(6) The failure of a casino operator to deduct and withhold 1572

the required amount from a person's winnings does not relieve that 1573
person from liability for the municipal income tax with respect to 1574
those winnings. 1575

(D) If a person's prize award from a video lottery terminal 1576
is an amount for which reporting to the internal revenue service 1577
is required by section 6041 of the Internal Revenue Code, as 1578
amended, the video lottery sales agent shall deduct and withhold 1579
municipal income tax from the person's prize award at the rate of 1580
the tax imposed by the municipal corporation in which the video 1581
lottery terminal facility is located. 1582

(E) Amounts deducted and withheld by a video lottery sales 1583
agent are held in trust for the benefit of the municipal 1584
corporation to which the tax is owed. 1585

(1) The video lottery sales agent shall issue to a person 1586
from whose prize award an amount has been deducted and withheld a 1587
receipt for the amount deducted and withheld, and shall obtain 1588
from the person receiving a prize award the person's name, 1589
address, and social security number in order to facilitate the 1590
preparation of returns required by this section. 1591

(2) On or before the tenth day of each month, the video 1592
lottery sales agent shall file a return electronically with the 1593
tax administrator of the municipal corporation identifying the 1594
persons from whose prize awards amounts were deducted and 1595
withheld, the amount of each such deduction and withholding during 1596
the preceding calendar month, the amount of the prize award from 1597
which each such amount was withheld, and any other information 1598
required by the tax administrator. With the return, the video 1599
lottery sales agent shall remit electronically to the tax 1600
administrator all amounts deducted and withheld during the 1601
preceding month. 1602

(3) A video lottery sales agent shall maintain a record of 1603

all receipts issued under division (E) of this section and shall 1604
make those records available to the tax administrator upon 1605
request. Such records shall be maintained in accordance with 1606
section 5747.17 of the Revised Code and any rules adopted pursuant 1607
thereto. 1608

(4) Annually, on or before the thirty-first day of January, 1609
each video lottery terminal sales agent shall file an annual 1610
return electronically with the tax administrator of the municipal 1611
corporation in which the facility is located indicating the total 1612
amount deducted and withheld during the preceding calendar year. 1613
The video lottery sales agent shall remit electronically with the 1614
annual return any amount that was deducted and withheld and that 1615
was not previously remitted. If the identity of a person and the 1616
amount deducted and withheld with respect to that person were 1617
omitted on a monthly return for that reporting period, that 1618
information shall be indicated on the annual return. 1619

(5) Annually, on or before the thirty-first day of January, a 1620
video lottery sales agent shall issue an information return to 1621
each person with respect to whom an amount has been deducted and 1622
withheld during the preceding calendar year. The information 1623
return shall show the total amount of municipal income tax 1624
deducted and withheld from the person's prize award by the video 1625
lottery sales agent during the preceding year. A video lottery 1626
sales agent shall provide to the tax administrator of the 1627
municipal corporation a copy of each information return issued 1628
under this division. The tax administrator may require that such 1629
copies be transmitted electronically. 1630

(6) A video lottery sales agent who fails to file a return 1631
and remit the amounts deducted and withheld is personally liable 1632
for the amount deducted and withheld and not remitted. Such 1633
personal liability extends to any penalty and interest imposed for 1634
the late filing of a return or the late payment of tax deducted 1635

and withheld. 1636

(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: 1637
1638
1639
1640
1641
1642
1643
1644
1645

(1) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid; 1646
1647
1648

(2) A certificate from the tax administrator indicating that no amounts are due. 1649
1650

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. 1651
1652
1653

(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. 1654
1655
1656
1657

(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. 1658
1659
1660
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1665

(I) Amounts deducted and withheld on behalf of a municipal 1666

corporation shall be allowed as a credit against payment of the 1667
tax imposed by the municipal corporation and shall be treated as 1668
taxes paid for purposes of section 718.08 of the Revised Code. 1669
This division applies only to the person for whom the amount is 1670
deducted and withheld. 1671

(J) The tax administrator shall prescribe the forms of the 1672
receipts and returns required under this section. 1673

Sec. 718.04. (A) A municipal corporation may levy a tax on 1674
income only in accordance with the limitations specified in this 1675
chapter. On or after January 1, 2015, the ordinance or resolution 1676
levying the tax, as adopted or amended by the legislative 1677
authority of the municipal corporation, shall include all of the 1678
following: 1679

(1) A statement that the tax is an annual tax levied on the 1680
income of every person residing in or earning or receiving income 1681
in the municipal corporation and that the tax shall be measured by 1682
municipal taxable income; 1683

(2) A statement that the municipal corporation is levying the 1684
tax in accordance with the limitations specified in this chapter 1685
and that the resolution or ordinance thereby incorporates the 1686
provisions of this chapter; 1687

(3) The rate of the tax; 1688

(4) Whether, and the extent to which, a credit, as described 1689
in division (D) of this section, will be allowed against the tax; 1690

(5) The purpose or purposes of the tax; 1691

(6) Any other provision necessary for the administration of 1692
the tax, provided that the provision does not conflict with any 1693
provision of this chapter. 1694

(B) Any municipal corporation that, on or before the 1695
effective date of the enactment of this section, levies an income 1696

tax at a rate in excess of one per cent may continue to levy the 1697
tax at the rate specified in the original ordinance or resolution, 1698
provided that such rate continues in effect as specified in the 1699
original ordinance or resolution. 1700

(C)(1) No municipal corporation shall tax income at other 1701
than a uniform rate. 1702

(2) Except as provided in division (B) of this section, no 1703
municipal corporation shall levy a tax on income at a rate in 1704
excess of one per cent without having obtained the approval of the 1705
excess by a majority of the electors of the municipality voting on 1706
the question at a general, primary, or special election. The 1707
legislative authority of the municipal corporation shall file with 1708
the board of elections at least ninety days before the day of the 1709
election a copy of the ordinance together with a resolution 1710
specifying the date the election is to be held and directing the 1711
board of elections to conduct the election. The ballot shall be in 1712
the following form: "Shall the Ordinance providing for a ... per 1713
cent levy on income for (Brief description of the purpose of the 1714
proposed levy) be passed? 1715

1716

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

1717
1718

In the event of an affirmative vote, the proceeds of the levy may 1720
be used only for the specified purpose. 1721

(D) A municipal corporation may, by ordinance or resolution, 1722
grant a credit to residents of the municipal corporation for all 1723
or a portion of the taxes the resident paid to any municipal 1724
corporation, in this state or elsewhere, on income the resident 1725
earned or received in the municipal corporation. 1726

(E) Except as otherwise provided in this chapter, a municipal 1727

corporation that levies an income tax in effect for taxable years 1728
beginning before January 1, 2015, may continue to administer and 1729
enforce the provisions of such tax for all taxable years beginning 1730
before January 1, 2015, provided that the provisions of such tax 1731
are consistent with this chapter as it existed prior to the 1732
effective date of the enactment of this section. 1733

(F) Nothing in this chapter authorizes a municipal 1734
corporation to levy a tax on income or net profit, or to 1735
administer or collect such a tax or penalties or interest related 1736
to such a tax, contrary to the limitations specified in this 1737
chapter. 1738

Sec. 718.05. An annual return with respect to the income tax 1739
levied by a municipal corporation shall be completed and filed by 1740
every taxpayer for any taxable year for which the taxpayer is 1741
liable for the tax. If the total credit allowed against the tax as 1742
described in division (D) of section 718.04 of the Revised Code 1743
for the year is equal to or exceeds the tax imposed by the 1744
municipal corporation, no return shall be required unless the 1745
municipal ordinance or resolution levying the tax requires the 1746
filing of a return in such circumstances. 1747

(A) If an individual is deceased, any return or notice 1748
required of that individual shall be completed and filed by that 1749
decedent's executor, administrator, or other person charged with 1750
the property of that decedent. 1751

(B) If an individual is unable to complete and file a return 1752
or notice required by a municipal corporation in accordance with 1753
this chapter, the return or notice required of that individual 1754
shall be completed and filed by the individual's duly authorized 1755
agent, guardian, conservator, fiduciary, or other person charged 1756
with the care of the person or property of that individual. 1757

(C) Returns or notices required of an estate or a trust shall 1758

be completed and filed by the fiduciary of the estate or trust. 1759

(D) No municipal corporation shall deny spouses the ability 1760
to file a joint return. 1761

(E)(1) Each return required to be filed under this section 1762
shall contain the signature of the taxpayer or the taxpayer's duly 1763
authorized agent and of the person who prepared the return for the 1764
taxpayer, and shall include the taxpayer's social security number 1765
or taxpayer identification number. Each return shall be verified 1766
by a declaration under penalty of perjury. 1767

(2) A tax administrator may require any taxpayer who is an 1768
individual to include, with each annual return, amended return, or 1769
application for refund required under this section, complete 1770
copies of any of the following that are applicable to the 1771
taxpayer: all of the taxpayer's Internal Revenue Service form W-2, 1772
"Wage and Tax Statements," including all information reported on 1773
the taxpayer's federal W-2, as well as taxable wages reported or 1774
withheld for any municipal corporation; any Internal Revenue 1775
Service form 1099-MISC received by the taxpayer, schedule K1, form 1776
2106, schedule C, schedule E, and schedule F; and pages one and 1777
two of the taxpayer's Internal Revenue Service form 1040. An 1778
individual taxpayer who files the annual return required by this 1779
section electronically shall provide paper copies of any of the 1780
foregoing to the tax administrator upon the tax administrator's 1781
request. 1782

(3) A tax administrator may require any taxpayer that is not 1783
an individual to include, with each annual net profit return, 1784
amended net profit return, or application for refund required 1785
under this section, complete copies of any of the following that 1786
are applicable to the taxpayer: the taxpayer's Internal Revenue 1787
Service form 1041, form 1065, form 1120, form 1120-REIT, form 1788
1120F, form 1120S, schedule D, schedule E, schedule M-3, form 1789
1125-A, form 4562, form 2106, form 8825, form 8903, and form 8949; 1790

supporting statements for "other income," "taxes and licenses," 1791
"other deductions," and "other costs" reported on the foregoing 1792
forms and schedules; the method of accounting and allocation used 1793
to determine the income allocable to the municipal corporation; 1794
and, if the taxpayer is a pass-through entity, any Internal 1795
Revenue Service K-1 schedules issued or received by the taxpayer 1796
or a schedule summarizing the information contained on such K-1 1797
schedules, Internal Revenue Service forms 1096, the taxpayer's 1798
federal consolidated schedules if filing a consolidated return 1799
pursuant to section 718.06 of the Revised Code, and the taxpayer's 1800
net operating loss carry forward schedule providing for each year 1801
in which the net operating loss was sustained, the method of 1802
accounting and allocation used to determine the portion of net 1803
operating loss allocable to the taxing municipal corporation, the 1804
amount of net operating loss used as a deduction in prior years, 1805
and the amount of net operating loss claimed as a deduction in the 1806
current year. 1807

A taxpayer that is not an individual and that files an annual 1808
net profit return electronically through the Ohio business gateway 1809
or in some other manner shall either mail the documents required 1810
under this division to the tax administrator at the time of filing 1811
or, if electronic submission is available, submit the documents 1812
electronically through the Ohio business gateway. The department 1813
of taxation shall publish a method of electronically submitting 1814
the documents required under this division through the Ohio 1815
business gateway on or before January 1, 2015. The department 1816
shall transmit all documents submitted electronically under this 1817
division to the appropriate tax administrator. 1818

(4) A tax administrator may require that each annual 1819
withholding reconciliation return required to be filed under this 1820
chapter include complete copies of any of the following that are 1821
applicable: an information return for each employee from whom 1822

municipal income tax has been withheld that specifies the 1823
municipal corporation for which the tax is withheld and all 1824
information required for federal income tax reporting purposes on 1825
Internal Revenue Service form W-2 or its equivalent. 1826

(5) Pursuant to section 718.24 of the Revised Code, the tax 1827
administrator may request, and the taxpayer shall provide, any 1828
information, statements, or documents required by the municipal 1829
corporation to determine and verify the taxpayer's municipal 1830
income tax liability. The requirements imposed under division (E) 1831
of this section apply regardless of whether the taxpayer files on 1832
a generic form or on a form prescribed by the tax administrator. 1833

(F)(1) Except as otherwise provided in this chapter, each 1834
return required to be filed under this section shall be completed 1835
and filed as required by the tax administrator on or before the 1836
date prescribed for the filing of federal individual income tax 1837
returns and notices under section 6072(a) of the Internal Revenue 1838
Code. The taxpayer shall complete and file the return or notice on 1839
forms prescribed by the tax administrator or on generic forms, 1840
together with remittance made payable to the municipal corporation 1841
or tax administrator. No remittance is required if the amount 1842
shown to be due is ten dollars or less. 1843

(2) Any taxpayer that has requested an extension for filing a 1844
federal income tax return may request an extension for the filing 1845
of a municipal income tax return. The taxpayer shall make the 1846
request by filing a copy of the taxpayer's request for a federal 1847
filing extension through the Ohio business gateway or directly 1848
with the tax administrator. The request for extension shall be 1849
filed not later than the last day for filing the municipal income 1850
tax return. The extended due date of the municipal income tax 1851
return shall be the last day of the month following the month to 1852
which the due date of the federal income tax return has been 1853
extended. A municipal corporation may deny a taxpayer's request 1854

for extension only if the taxpayer fails to timely file the 1855
request, fails to file a copy of the request for the federal 1856
extension, owes the municipal corporation any delinquent income 1857
tax, penalty, or interest, or has failed to file any required 1858
income tax return for a prior tax period. An extension of time to 1859
file under this division is not an extension of the time to pay 1860
any tax due unless the tax administrator grants an extension of 1861
that date. 1862

(3) If a taxpayer does not request and obtain a federal 1863
extension as described in division (F)(2) of this section, the 1864
taxpayer may request an extension of time to file a municipal 1865
income tax return by filing the request through the Ohio business 1866
gateway or directly with the tax administrator of the municipal 1867
corporation with which the return is required to be filed. The 1868
request for extension shall be filed not later than the last day 1869
for filing the municipal income tax return. The extended due date 1870
of the municipal income tax return shall be the last day of the 1871
month following the month to which the due date of the federal 1872
income tax return has been extended. 1873

Upon good cause shown, the tax administrator may extend the 1874
period for filing any notice or return. 1875

(4) In order to facilitate the filing of extension requests, 1876
the tax commissioner and the Ohio business gateway steering 1877
committee shall take all steps necessary to provide taxpayers with 1878
the ability to file such requests through the Ohio business 1879
gateway and to notify tax administrators when such requests are 1880
filed. 1881

(5) If the tax administrator considers it necessary in order 1882
to ensure the payment of the tax imposed by the municipal 1883
corporation in accordance with this chapter, the tax administrator 1884
may require taxpayers to file returns and make payments otherwise 1885
than as provided in this section, including taxpayers not 1886

otherwise required to file annual returns. 1887

(6) To the extent that any provision in this division 1888
conflicts with any provision in section 718.052 of the Revised 1889
Code, the provision in that section prevails. 1890

(G)(1) For taxable years beginning after 2014, a municipal 1891
corporation shall not require a taxpayer to remit tax with respect 1892
to net profits if the amount due is less than ten dollars. 1893

(2) Any taxpayer not required to remit tax to a municipal 1894
corporation for a taxable year pursuant to division (G)(1) of this 1895
section shall file with the municipal corporation an annual net 1896
profit return under division (E)(3) of this section. 1897

(H) This division shall not apply to payments required to be 1898
made under division (B)(1)(a) or (2)(a) of section 718.03 of the 1899
Revised Code. Except as provided in section 718.08 of the Revised 1900
Code: 1901

(1) If any report, claim, statement, or other document 1902
required to be filed, or any payment required to be made, within a 1903
prescribed period or on or before a prescribed date under this 1904
chapter is delivered after that period or that date by United 1905
States mail to the tax administrator or other municipal official 1906
with which the report, claim, statement, or other document is 1907
required to be filed, or to which the payment is required to be 1908
made, the date of the postmark stamped on the cover in which the 1909
report, claim, statement, or other document, or payment is mailed 1910
shall be deemed to be the date of delivery or the date of payment. 1911
"The date of postmark" means, in the event there is more than one 1912
date on the cover, the earliest date imprinted on the cover by the 1913
postal service. 1914

(2) If a payment is required to be made by electronic funds 1915
transfer, the payment is considered to be made when the payment is 1916
credited to an account designated by the tax administrator for the 1917

receipt of tax payments, except that, when a payment made by 1918
electronic funds transfer is delayed due to circumstances not 1919
under the control of the taxpayer, the payment is considered to be 1920
made when the taxpayer submitted the payment. 1921

(I) The amounts withheld by an employer, the agent of an 1922
employer, or an other payer as described in section 718.03 of the 1923
Revised Code shall be allowed to the recipient of the compensation 1924
as credits against payment of the tax imposed on the recipient by 1925
the municipal corporation, unless the amounts withheld were not 1926
remitted to the municipal corporation and the recipient colluded 1927
with the employer, agent, or other payer in connection with the 1928
failure to remit the amounts withheld. 1929

(J) Each return required by a municipal corporation to be 1930
filed in accordance with this section shall include a box that the 1931
taxpayer may check to authorize another person, including a tax 1932
return preparer who prepared the return, to communicate with the 1933
tax administrator about matters pertaining to the return. The 1934
return or instructions accompanying the return shall indicate that 1935
by checking the box the taxpayer authorizes the tax administrator 1936
to contact the preparer or other person concerning questions that 1937
arise during the examination or other review of the return and 1938
authorizes the preparer or other person only to provide the tax 1939
administrator with information that is missing from the return, to 1940
contact the tax administrator for information about the 1941
examination or other review of the return or the status of the 1942
taxpayer's refund or payments, and to respond to notices about 1943
mathematical errors, offsets, or return preparation that the 1944
taxpayer has received from the tax administrator and has shown to 1945
the preparer or other person. 1946

(K) The tax administrator of a municipal corporation shall 1947
accept for filing a generic form of any income tax return, report, 1948
or document required by the municipal corporation in accordance 1949

with this chapter, provided that the generic form, once completed 1950
and filed, contains all of the information required by ordinance, 1951
resolution, or rules adopted by the municipal corporation or tax 1952
administrator, and provided that the taxpayer or tax return 1953
preparer filing the generic form otherwise complies with the 1954
provisions of this chapter and of the municipal corporation 1955
ordinance or resolution governing the filing of returns, reports, 1956
or documents. 1957

(L) When income tax returns, reports, or other documents 1958
require the signature of a tax return preparer, the tax 1959
administrator shall accept a facsimile of such a signature in lieu 1960
of a manual signature. 1961

~~Sec. 718.051. (A) As used in this section, "Ohio business~~ 1962
~~gateway" means the online computer network system, initially~~ 1963
~~created by the department of administrative services under section~~ 1964
~~125.30 of the Revised Code, that allows private businesses to~~ 1965
~~electronically file business reply forms with state agencies and~~ 1966
~~includes any successor electronic filing and payment system.~~ 1967

~~(B) Notwithstanding section 718.05 of the Revised Code, on~~ 1968
~~and after January 1, 2005, any taxpayer that is subject to any~~ 1969
~~municipal corporation's tax on the net profit from a business or~~ 1970
~~profession and has received an extension to file the federal~~ 1971
~~income tax return shall not be required to notify the municipal~~ 1972
~~corporation of the federal extension and shall not be required to~~ 1973
~~file any municipal income tax return until the last day of the~~ 1974
~~month to which the due date for filing the federal return has been~~ 1975
~~extended, provided that, on or before the date for filing the~~ 1976
~~municipal income tax return, the person notifies the tax~~ 1977
~~commissioner of the federal extension through the Ohio business~~ 1978
~~gateway. An extension of time to file is not an extension of the~~ 1979
~~time to pay any tax due.~~ 1980

~~(C) For taxable years beginning on or after January 1, 2005,~~ 1981
a Any taxpayer subject to ~~any~~ municipal corporation's tax on 1982
income taxation with respect to the taxpayer's net profit from a 1983
business or profession may file any municipal income tax return 1984
~~or,~~ estimated municipal income tax return, or extension for filing 1985
a municipal income tax return, and may make payment of amounts 1986
shown to be due on such returns, by using the Ohio business 1987
gateway. 1988

~~(D)(1) As used in this division, "qualifying wages" has the~~ 1989
~~same meaning as in section 718.03 of the Revised Code.~~ 1990

~~(2)(B)~~ Any employer, agent of an employer, or other payer may 1991
report the amount of municipal income tax withheld from qualifying 1992
wages ~~paid on or after January 1, 2007,~~ and may make remittance of 1993
such amounts, by using the Ohio business gateway. 1994

~~(E)(C)~~ Nothing in this section affects the due dates for 1995
filing employer withholding tax returns. 1996

~~(F)(D)~~ No municipal corporation shall be required to pay any 1997
fee or charge for the operation or maintenance of the Ohio 1998
business gateway. 1999

~~(G)(E)~~ The use of the Ohio business gateway by municipal 2000
corporations, taxpayers, or other persons pursuant to this section 2001
does not affect the legal rights of municipalities or taxpayers as 2002
otherwise permitted by law. This state shall not be a party to the 2003
administration of municipal income taxes or to an appeal of a 2004
municipal income tax matter, except as otherwise specifically 2005
provided by law. 2006

~~(H)(F)(1)~~ The tax commissioner shall adopt rules 2007
establishing: 2008

(a) The format of documents to be used by taxpayers to file 2009
returns and make payments through the Ohio business gateway; and 2010

(b) The information taxpayers must submit when filing 2011
municipal income tax returns through the Ohio business gateway. 2012

The commissioner shall not adopt rules under this division 2013
that conflict with the requirements of section 718.05 of the 2014
Revised Code. 2015

(2) The commissioner shall consult with the Ohio business 2016
gateway steering committee before adopting the rules described in 2017
division ~~(H)~~(F)(1) of this section. 2018

~~(I)~~(G) Nothing in this section shall be construed as limiting 2019
or removing the ~~ability~~ authority of any municipal corporation to 2020
administer, audit, and enforce the provisions of its municipal 2021
income tax. 2022

(H) Within sixty days after a request by a tax administrator, 2023
the tax commissioner shall provide to the tax administrator any 2024
municipal income tax data the commissioner has acquired under 2025
Chapter 5745. of the Revised Code. The tax commissioner may not 2026
impose a fee or charge to defray the costs of providing such data, 2027
including costs associated with the inspection, review, 2028
production, photocopying, or transmission of that data. 2029

Sec. 718.052. (A) Each member of the national guard of any 2030
state and each member of a reserve component of the armed forces 2031
of the United States called to active duty pursuant to an 2032
executive order issued by the president of the United States or an 2033
act of the congress of the United States, and each civilian 2034
serving as support personnel in a combat zone or contingency 2035
operation in support of the armed forces, may apply to the tax 2036
administrator of a municipal corporation for both an extension of 2037
time for filing of the return and an extension of time for payment 2038
of taxes required by the municipal corporation in accordance with 2039
this chapter during the period of the member's or civilian's duty 2040
service and for one hundred eighty days thereafter. The 2041

application shall be filed on or before the one hundred eightieth 2042
day after the member's or civilian's duty terminates. An applicant 2043
shall provide such evidence as the tax administrator considers 2044
necessary to demonstrate eligibility for the extension. 2045

(B)(1) If the tax administrator ascertains that an applicant 2046
is qualified for an extension under this section, the tax 2047
administrator shall enter into a contract with the applicant for 2048
the payment of the tax in installments that begin on the one 2049
hundred eighty-first day after the applicant's active duty or 2050
service terminates. Except as provided in division (B)(3) of this 2051
section, the tax administrator may prescribe such contract terms 2052
as the tax administrator considers appropriate. 2053

(2) If the tax administrator ascertains that an applicant is 2054
qualified for an extension under this section, the applicant shall 2055
neither be required to file any return, report, or other tax 2056
document nor be required to pay any tax otherwise due to the 2057
municipal corporation before the one hundred eighty-first day 2058
after the applicant's active duty or service terminates. 2059

(3) Taxes paid pursuant to a contract entered into under 2060
division (B)(1) of this section are not delinquent. The tax 2061
administrator shall not require any payments of penalties or 2062
interest in connection with those taxes for the extension period. 2063

(C)(1) Nothing in this division denies to any person 2064
described in this division the application of divisions (A) and 2065
(B) of this section. 2066

(2)(a) A qualifying taxpayer who is eligible for an extension 2067
under the Internal Revenue Code shall receive both an extension of 2068
time in which to file any return, report, or other tax document 2069
and an extension of time in which to make any payment of taxes 2070
required by a municipal corporation in accordance with this 2071
chapter. The length of any extension granted under division 2072

(C)(2)(a) of this section shall be equal to the length of the 2073
corresponding extension that the taxpayer receives under the 2074
Internal Revenue Code. As used in this section, "qualifying 2075
taxpayer" means a member of the national guard, or a member of the 2076
reserve component of the armed forces of the United States, who is 2077
called to active duty pursuant to either an executive order issued 2078
by the president of the United States or an act of the congress of 2079
the United States. 2080

(b) Taxes whose payment is extended in accordance with 2081
division (C)(2)(a) of this section are not delinquent during the 2082
extension period. Such taxes become delinquent on the first day 2083
after the expiration of the extension period if the taxes are not 2084
paid prior to that date. The tax administrator shall not require 2085
any payment of penalties or interest in connection with those 2086
taxes for the extension period. The tax administrator shall not 2087
include any period of extension granted under division (C)(2)(a) 2088
of this section in calculating the penalty or interest due on any 2089
unpaid tax. 2090

(D) For each taxable year to which division (A), (B), or (C) 2091
of this section applies to a taxpayer, the provisions of divisions 2092
(B)(2) and (3) or (C) of this section, as applicable, apply to the 2093
spouse of that taxpayer if the filing status of the spouse and the 2094
taxpayer is married filing jointly for that year. 2095

Sec. 718.06. (A) As used in this section: 2096

(1) "Affiliated group of corporations" means an affiliated 2097
group as defined in section 1504 of the Internal Revenue Code. 2098
"Affiliated group of corporations" does not include an incumbent 2099
local exchange carrier primarily engaged in the business of 2100
providing local exchange telephone service in this state, or any 2101
member of such a carrier's affiliated group that is an incumbent 2102
local exchange carrier primarily engaged in the business of 2103

providing local exchange telephone service, other than cellular 2104
radio service, outside this state. 2105

(2) "Consolidated federal income tax return" means a 2106
consolidated return filed for federal income tax purposes pursuant 2107
to section 1501 of the Internal Revenue Code. 2108

(3) "Consolidated federal taxable income" means the 2109
consolidated taxable income of an affiliated group of 2110
corporations, as computed for the purposes of filing a 2111
consolidated federal income tax return, before consideration of 2112
net operating losses or special deductions. "Consolidated federal 2113
taxable income" does not include income or loss of an incumbent 2114
local exchange carrier primarily engaged in the business of 2115
providing local exchange telephone service in this state, or 2116
income or loss of any member of such a carrier's affiliated group 2117
that is an incumbent local exchange carrier primarily engaged in 2118
the business of providing local exchange telephone service, other 2119
than cellular radio service, outside this state. 2120

(4) "Incumbent local exchange carrier" has the same meaning 2121
as in section 4927.01 of the Revised Code. 2122

(5) "Local exchange telephone service" has the same meaning 2123
as in section 5727.01 of the Revised Code. 2124

(B)(1) For taxable years beginning on or after January 1, 2125
2015, a taxpayer that is a member of an affiliated group of 2126
corporations may elect to file a consolidated municipal income tax 2127
return for a taxable year if at least one member of the affiliated 2128
group of corporations is subject to the municipal income tax in 2129
that taxable year and if the affiliated group of corporations 2130
filed a consolidated federal income tax return with respect to 2131
that taxable year. The election is binding for a five-year period 2132
beginning with the first taxable year of the initial election 2133
unless a change in the reporting method is required under federal 2134

law. The election continues to be binding for each subsequent 2135
five-year period unless the taxpayer elects to discontinue filing 2136
consolidated municipal income tax returns under division (B)(2) of 2137
this section or a taxpayer receives permission from the tax 2138
administrator. The tax administrator shall approve such a request 2139
for good cause shown. 2140

(2) An election to discontinue filing consolidated municipal 2141
income tax returns under this section must be made in the first 2142
year following the last year of a five-year consolidated municipal 2143
income tax return election period in effect under division (B)(1) 2144
of this section. The election to discontinue filing a consolidated 2145
municipal income tax return is binding for a five-year period 2146
beginning with the first taxable year of the election. 2147

(3) An election made under division (B)(1) or (2) of this 2148
section is binding on all members of the affiliated group of 2149
corporations subject to a municipal income tax. 2150

(C) A taxpayer that is a member of an affiliated group of 2151
corporations that filed a consolidated federal income tax return 2152
for a taxable year shall file a consolidated municipal income tax 2153
return for that taxable year if the tax administrator determines 2154
that intercompany transactions have not been conducted at arm's 2155
length or that there has been a distortive shifting of income or 2156
expenses with regard to allocation of net profits to the municipal 2157
corporation. A taxpayer that is required to file a consolidated 2158
municipal income tax return for a taxable year shall file a 2159
consolidated municipal income tax return for all subsequent 2160
taxable years unless the taxpayer receives written permission from 2161
the tax administrator to file a separate return or a taxpayer has 2162
experienced a change in circumstances. 2163

(D) A taxpayer shall prepare a consolidated municipal income 2164
tax return in the same manner as is required under the United 2165
States department of treasury regulations that prescribe 2166

procedures for the preparation of the consolidated federal income 2167
tax return required to be filed by the common parent of the 2168
affiliated group of which the taxpayer is a member. 2169

(E)(1) Except as otherwise provided in divisions (E)(2), (3), 2170
and (4) of this section, corporations that file a consolidated 2171
municipal income tax return shall compute adjusted federal taxable 2172
income, as defined in section 718.01 of the Revised Code, by 2173
substituting "consolidated federal taxable income" for "federal 2174
taxable income" wherever "federal taxable income" appears in that 2175
division and by substituting "an affiliated group of 2176
corporation's" for "a C corporation's" wherever "a C 2177
corporation's" appears in that division. 2178

(2) No corporation filing a consolidated municipal income tax 2179
return shall make any adjustment otherwise required under division 2180
(E) of section 718.01 of the Revised Code to the extent that the 2181
item of income or deduction otherwise subject to the adjustment 2182
has been eliminated or consolidated in the computation of 2183
consolidated federal taxable income. 2184

(3) If the net profit or loss of a pass-through entity is 2185
included in an affiliated group of corporations' consolidated 2186
federal taxable income for a taxable year, the corporation filing 2187
a consolidated municipal income tax return shall do one of the 2188
following with respect to that pass-through entity's net profit or 2189
loss for that taxable year: 2190

(a) Exclude the pass-through entity's net profit or loss from 2191
the consolidated federal taxable income of the affiliated group 2192
and, for the purpose of making the computations required in 2193
section 718.02 of the Revised Code, exclude the property, payroll, 2194
and gross receipts of the pass-through entity in the computation 2195
of the affiliated group's net profit situated to a municipal 2196
corporation. If the entity's net profit or loss is so excluded, 2197
the entity shall be subject to taxation as a separate taxpayer on 2198

the basis of the entity's net profits that would otherwise be 2199
included in the consolidated federal taxable income of the 2200
affiliated group. 2201

(b) Include the pass-through entity's net profit or loss in 2202
the consolidated federal taxable income of the affiliated group 2203
and, for the purpose of making the computations required in 2204
section 718.02 of the Revised Code, include the property, payroll, 2205
and gross receipts of the pass-through entity in the computation 2206
of the affiliated group's net profit sitused to a municipal 2207
corporation. If the entity's net profit or loss is so included, 2208
the entity shall not be subject to taxation as a separate taxpayer 2209
on the basis of the entity's net profits that are included in the 2210
consolidated federal taxable income of the affiliated group. 2211

(F) Corporations filing a consolidated municipal income tax 2212
return shall make the computations required under section 718.02 2213
of the Revised Code by substituting "consolidated federal taxable 2214
income attributable to" for "net profit from" wherever "net profit 2215
from" appears in that section and by substituting "affiliated 2216
group of corporations" for "taxpayer" wherever "taxpayer" appears 2217
in that section. 2218

(G) Each corporation filing a consolidated municipal income 2219
tax return is jointly and severally liable for any tax, interest, 2220
penalties, fines, charges, or other amounts imposed by a municipal 2221
corporation in accordance with this chapter on the corporation, an 2222
affiliated group of which the corporation is a member for any 2223
portion of the taxable year, or any one or more members of such an 2224
affiliated group. 2225

(H) Corporations that made an election with a municipal 2226
corporation before January 1, 2015, to file a consolidated tax 2227
return with such municipal corporation in a manner similar to that 2228
provided in division (B) of this section shall continue to file 2229
consolidated tax returns in such manner for any taxable year 2230

beginning before January 1, 2020, unless the corporations obtain 2231
permission from the tax administrator to discontinue such filing. 2232

Sec. 718.07. ~~On and after January 1, 2002, each~~ The tax 2233
administrator of a municipal corporation that imposes a tax on 2234
income in accordance with this chapter shall make electronic 2235
versions of any rules or ordinances governing the tax available to 2236
the public through the internet, including, but not limited to, 2237
ordinances or rules governing the rate of tax; payment and 2238
withholding of taxes; filing any prescribed returns, reports, or 2239
other documents; dates for filing or paying taxes, including 2240
estimated taxes; penalties, interest, ~~assessment,~~ and other 2241
collection remedies; rights of taxpayers to appeal; ~~and~~ procedures 2242
for filing appeals; and a summary of taxpayers' rights and 2243
responsibilities. ~~On and after that date, any municipal~~ 2244
~~corporation that requires taxpayers to file income tax returns,~~ 2245
~~reports, or other documents~~ The tax administrator shall make 2246
blanks of ~~such~~ any prescribed returns, reports, or documents, and 2247
any instructions pertaining thereto, available to the public 2248
electronically through the internet. Electronic versions of rules, 2249
ordinances, blanks, and instructions shall be made available 2250
~~either~~ by posting them on the electronic site established by the 2251
tax commissioner under section 5703.49 of the Revised Code ~~or~~ and, 2252
if the municipal corporation or tax administrator maintains an 2253
electronic site for the posting of such documents that is 2254
accessible through the internet, by posting them on ~~an~~ that 2255
~~electronic site established by the municipal corporation that is~~ 2256
~~accessible through the internet.~~ If a municipal corporation or tax 2257
administrator establishes such an electronic site, the municipal 2258
corporation shall incorporate an electronic link between that site 2259
and the site established pursuant to section 5703.49 of the 2260
Revised Code, and shall provide to the tax commissioner the 2261
uniform resource locator of the site established pursuant to this 2262

division. 2263

Sec. 718.08. (A) As used in this section: 2264

(1) "Estimated taxes" means the amount that the taxpayer 2265
reasonably estimates to be the taxpayer's tax liability for a 2266
municipal corporation's income tax for the current taxable year. 2267

(2) "Tax liability" means the total taxes due to a municipal 2268
corporation for the taxable year, after allowing any credit to 2269
which the taxpayer is entitled, and after applying any estimated 2270
tax payment, withholding payment, or credit from another taxable 2271
year. 2272

(B)(1) Every taxpayer shall make a declaration of estimated 2273
taxes for the current taxable year, on the form prescribed by the 2274
tax administrator, if the amount payable as estimated taxes is 2275
more than one hundred dollars. For the purposes of this section: 2276

(a) Taxes withheld from compensation shall be considered as 2277
paid to the municipal corporation for which the taxes were 2278
withheld in equal amounts on each payment date unless the taxpayer 2279
establishes the dates on which all amounts were actually withheld, 2280
in which case the amounts withheld shall be considered as paid on 2281
the dates on which the amounts were actually withheld. 2282

(b) An overpayment of tax applied as a credit to a subsequent 2283
taxable year is deemed to be paid on the date of the postmark 2284
stamped on the cover in which the payment is mailed or, if the 2285
payment is made by electronic funds transfer, the date the payment 2286
is submitted. As used in this division, "date of the postmark" 2287
means, in the event there is more than one date on the cover, the 2288
earliest date imprinted on the cover by the postal service. 2289

(c) Taxes withheld by a casino operator or by a lottery sales 2290
agent under section 718.031 of the Revised Code are deemed to be 2291
paid to the municipal corporation for which the taxes were 2292

withheld on the date the taxes are withheld from the taxpayer's 2293
winnings. 2294

(2) Taxpayers filing joint returns shall file joint 2295
declarations of estimated taxes. A taxpayer may amend a 2296
declaration under rules prescribed by the tax administrator. A 2297
taxpayer having a taxable year of less than twelve months shall 2298
make a declaration under rules prescribed by the tax 2299
administrator. The declaration of estimated taxes for an 2300
individual with a disability shall be made and filed by the person 2301
who is required to file the income tax return. 2302

(3) The declaration of estimated taxes shall be filed on or 2303
before the date prescribed for the filing of municipal income tax 2304
returns under division (F) of section 718.05 of the Revised Code 2305
or on or before the fifteenth day of the fourth month after the 2306
taxpayer becomes subject to tax for the first time. 2307

(4) Taxpayers reporting on a fiscal year basis shall file a 2308
declaration on or before the fifteenth day of the fourth month 2309
after the beginning of each fiscal year or period. 2310

(5) The original declaration or any subsequent amendment may 2311
be increased or decreased on or before any subsequent quarterly 2312
payment day as provided in this section. 2313

(C)(1) The required portion of the tax liability for the 2314
taxable year that shall be paid through estimated taxes made 2315
payable to the municipal corporation or tax administrator, 2316
including the application of tax refunds to estimated taxes and 2317
withholding on or before the applicable payment date, shall be as 2318
follows: 2319

(a) On or before the fifteenth day of the fourth month after 2320
the beginning of the taxable year, twenty-two and one-half per 2321
cent of the tax liability for the taxable year; 2322

(b) On or before the fifteenth day of the sixth month after 2323

the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year; 2324
2325

(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; 2326
2327
2328

(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. 2329
2330
2331

(2) When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates. 2332
2333
2334

(3) On or before the 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. 2335
2336
2337
2338
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(D)(1) In the case of any underpayment of any portion of a tax liability, a penalty and interest shall be imposed pursuant to section 718.27 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: 2340
2341
2342
2343
2344
2345

(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; 2346
2347
2348

(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; 2349
2350
2351

(c) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the 2352
2353

amount of taxes paid by the date prescribed for that payment; 2354

(d) For the fourth payment of estimated taxes each year, 2355
ninety per cent of the tax liability, less the amount of taxes 2356
paid by the date prescribed for that payment. 2357

(2) The period of the underpayment shall run from the day the 2358
estimated payment was required to be made to the date on which the 2359
payment is made. For purposes of this section, a payment of 2360
estimated taxes on or before any payment date shall be considered 2361
a payment of any previous underpayment only to the extent the 2362
payment of estimated taxes exceeds the amount of the payment 2363
presently required to be paid to avoid any penalty. 2364

(E)(1) An underpayment of any portion of tax liability 2365
determined under division (D) of this section shall be due to 2366
reasonable cause and the penalty imposed by this section shall not 2367
be added to the taxes for the taxable year if any of the following 2368
apply: 2369

(a) The amount of estimated taxes that were paid equals at 2370
least ninety per cent of the tax liability for the current taxable 2371
year, determined by annualizing the income received during the 2372
year up to the end of the month immediately preceding the month in 2373
which the payment is due. 2374

(b) The amount of estimated taxes that were paid equals at 2375
least one hundred per cent of the tax liability shown on the 2376
return of the taxpayer for the preceding taxable year, provided 2377
that the immediately preceding taxable year reflected a period of 2378
twelve months and the taxpayer filed a return with the municipal 2379
corporation under section 718.05 of the Revised Code for that 2380
year. 2381

(c) The taxpayer is an individual who resides in the 2382
municipal corporation but was not domiciled there on the first day 2383
of January of the current calendar year. 2384

(2) The tax administrator may waive the requirement for 2385
filing a declaration of estimated taxes for any class of taxpayers 2386
after finding that the waiver is reasonable and proper in view of 2387
administrative costs and other factors. 2388

Sec. 718.09. (A) This section applies to either of the 2389
following: 2390

(1) A municipal corporation that shares the same territory as 2391
a city, local, or exempted village school district, to the extent 2392
that not more than five per cent of the territory of the municipal 2393
corporation is located outside the school district and not more 2394
than five per cent of the territory of the school district is 2395
located outside the municipal corporation; 2396

(2) A municipal corporation that shares the same territory as 2397
a city, local, or exempted village school district, to the extent 2398
that not more than five per cent of the territory of the municipal 2399
corporation is located outside the school district, more than five 2400
per cent but not more than ten per cent of the territory of the 2401
school district is located outside the municipal corporation, and 2402
that portion of the territory of the school district that is 2403
located outside the municipal corporation is located entirely 2404
within another municipal corporation having a population of four 2405
hundred thousand or more according to the federal decennial census 2406
most recently completed before the agreement is entered into under 2407
division (B) of this section. 2408

(B) The legislative authority of a municipal corporation to 2409
which this section applies may propose to the electors an income 2410
tax, one of the purposes of which shall be to provide financial 2411
assistance to the school district through payment to the district 2412
of not less than twenty-five per cent of the revenue generated by 2413
the tax, except that the legislative authority may not propose to 2414
levy the income tax on the incomes of nonresident individuals. 2415

Prior to proposing the tax, the legislative authority shall 2416
negotiate and enter into a written agreement with the board of 2417
education of the school district specifying the tax rate, the 2418
percentage of tax revenue to be paid to the school district, the 2419
purpose for which the school district will use the money, the 2420
first year the tax will be levied, which shall be the first year 2421
after the year in which the levy is approved or any later year, 2422
the date of the special election on the question of the tax, and 2423
the method and schedule by which the municipal corporation will 2424
make payments to the school district. The special election shall 2425
be held on a day specified in division (D) of section 3501.01 of 2426
the Revised Code, except that the special election may not be held 2427
on the day for holding a primary election as authorized by the 2428
municipal corporation's charter unless the municipal corporation 2429
is to have a primary election on that day. 2430

After the legislative authority and board of education have 2431
entered into the agreement, the legislative authority shall 2432
provide for levying the tax by ordinance. The ordinance shall 2433
include the provisions described in division (A) of section 718.04 2434
of the Revised Code and shall state the tax rate, the percentage 2435
of tax revenue to be paid to the school district, the purpose for 2436
which the municipal corporation will use its share of the tax 2437
revenue, the first year the tax will be levied, and that the 2438
question of the income tax will be submitted to the electors of 2439
the municipal corporation. The legislative authority also shall 2440
adopt a resolution specifying the regular or special election date 2441
the election will be held and directing the board of elections to 2442
conduct the election. At least ninety days before the date of the 2443
election, the legislative authority shall file certified copies of 2444
the ordinance and resolution with the board of elections. 2445

(C) The board of elections shall make the necessary 2446
arrangements for the submission of the question to the electors of 2447

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 2479
outside the school district and not more than five per cent of the 2480
territory of the school district is located outside the municipal 2481
corporations as a group. 2482

(B) The legislative authorities of the municipal corporations 2483
in a group of municipal corporations to which this section applies 2484
each may propose to the electors an income tax, to be levied in 2485
concert with income taxes in the other municipal corporations of 2486
the group, except that a legislative authority may not propose to 2487
levy the income tax on the incomes of individuals who do not 2488
reside in the municipal corporation. One of the purposes of such a 2489
tax shall be to provide financial assistance to the school 2490
district through payment to the district of not less than 2491
twenty-five per cent of the revenue generated by the tax. Prior to 2492
proposing the taxes, the legislative authorities shall negotiate 2493
and enter into a written agreement with each other and with the 2494
board of education of the school district specifying the tax rate, 2495
the percentage of the tax revenue to be paid to the school 2496
district, the first year the tax will be levied, which shall be 2497
the first year after the year in which the levy is approved or any 2498
later year, and the date of the election on the question of the 2499
tax, all of which shall be the same for each municipal 2500
corporation. The agreement also shall state the purpose for which 2501
the school district will use the money, and specify the method and 2502
schedule by which each municipal corporation will make payments to 2503
the school district. The special election shall be held on a day 2504
specified in division (D) of section 3501.01 of the Revised Code, 2505
including a day on which all of the municipal corporations are to 2506
have a primary election. 2507

After the legislative authorities and board of education have 2508
entered into the agreement, each legislative authority shall 2509
provide for levying its tax by ordinance. Each ordinance shall 2510

include the provisions described in division (A) of section 718.04 2511
of the Revised Code and shall state the rate of the tax, the 2512
percentage of tax revenue to be paid to the school district, the 2513
purpose for which the municipal corporation will use its share of 2514
the tax revenue, and the first year the tax will be levied. Each 2515
ordinance also shall state that the question of the income tax 2516
will be submitted to the electors of the municipal corporation on 2517
the same date as the submission of questions of an identical tax 2518
to the electors of each of the other municipal corporations in the 2519
group, and that unless the electors of all of the municipal 2520
corporations in the group approve the tax in their respective 2521
municipal corporations, none of the municipal corporations in the 2522
group shall levy the tax. Each legislative authority also shall 2523
adopt a resolution specifying the regular or special election date 2524
the election will be held and directing the board of elections to 2525
conduct the election. At least ninety days before the date of the 2526
election, each legislative authority shall file certified copies 2527
of the ordinance and resolution with the board of elections. 2528

(C) For each of the municipal corporations, the board of 2529
elections shall make the necessary arrangements for the submission 2530
of the question to the electors, and shall conduct the election in 2531
the same manner as any other municipal income tax election. For 2532
each of the municipal corporations, notice of the election shall 2533
be published in a newspaper of general circulation in the 2534
municipal corporation once a week for four consecutive weeks, or 2535
as provided in section 7.16 of the Revised Code, prior to the 2536
election. The notice shall include a statement of the rate and 2537
municipal corporation and school district purposes of the income 2538
tax, the percentage of tax revenue that will be paid to the school 2539
district, and the first year the tax will be levied, and an 2540
explanation that the tax will not be levied unless an identical 2541
tax is approved by the electors of each of the other municipal 2542
corporations in the group. The ballot shall be in the following 2543

form: 2544

"Shall the ordinance providing for a ... per cent levy on 2545
income for (brief description of the municipal corporation and 2546
school district purposes of the levy, including a statement of the 2547
percentage of income tax revenue that will be paid to the school 2548
district) be passed? The income tax, if approved, will not be 2549
levied on the incomes of individuals who do not reside in (the 2550
name of the municipal corporation). In order for the income tax to 2551
be levied, the voters of (the other municipal corporations in the 2552
group), which are also in the (name of the school district) school 2553
district, must approve an identical income tax and agree to pay 2554
the same percentage of the tax revenue to the school district. 2555

	For the income tax
	Against the income tax

"

(D) If the question is approved by a majority of the electors 2560
and identical taxes are approved by a majority of the electors in 2561
each of the other municipal corporations in the group, the 2562
municipal corporation shall impose the tax beginning ~~in~~ on the 2563
first day of January of the year specified in the ordinance. The 2564
proceeds of the levy may be used only for the specified purposes, 2565
including payment of the specified percentage to the school 2566
district. 2567

Sec. 718.11. (A)(1) The legislative authority of each 2568
municipal corporation that imposes a tax on income in accordance 2569
with this chapter shall maintain a local board of tax review to 2570
hear appeals as provided in this section. The legislative 2571
authority of any municipal corporation that does not impose a tax 2572
on income on ~~the effective date of this amendment~~ June 26, 2003, 2573
but that imposes such a tax after that date, shall establish such 2574

a board by ordinance not later than one hundred eighty days after 2575
the tax takes effect. 2576

(2) The local board of tax review shall consist of three 2577
members. Two members shall be appointed by the legislative 2578
authority of the municipal corporation, but such appointees may 2579
not be employees, elected officials, or contractors with the 2580
municipal corporation at any time during their term or in the five 2581
years immediately preceding the date of appointment. One member 2582
shall be appointed by the top administrative official of the 2583
municipal corporation. This member may be an employee of the 2584
municipal corporation, but may not be the director of finance or 2585
equivalent officer, or the tax administrator or other similar 2586
official or an employee directly involved in municipal tax 2587
matters, or any direct subordinate thereof. 2588

(3) The term for members of the local board of tax review 2589
appointed by the legislative authority of the municipal 2590
corporation shall be two years. There is no limit on the number of 2591
terms that a member may serve if the member is reappointed by the 2592
legislative authority. The board member appointed by the top 2593
administrative official of the municipal corporation shall serve 2594
at the discretion of the administrative official. 2595

(4) Members of the board of tax review appointed by the 2596
legislative authority may be removed by the legislative authority 2597
by majority vote for malfeasance, misfeasance, or nonfeasance in 2598
office. To remove such a member, the legislative authority must 2599
give the member a copy of the charges against the member and 2600
afford the member an opportunity to be publicly heard in person or 2601
by counsel in the member's own defense upon not less than ten 2602
days' notice. The decision by the legislative authority on the 2603
charges is final and not appealable. 2604

(5) A member of the board who, for any reason, ceases to meet 2605
the qualifications for the position prescribed by this section 2606

shall resign immediately by operation of law. 2607

(6) A vacancy in an unexpired term shall be filled in the 2608
same manner as the original appointment within sixty days of when 2609
the vacancy was created. Any member appointed to fill a vacancy 2610
occurring prior to the expiration of the term for which the 2611
member's predecessor was appointed shall hold office for the 2612
remainder of such term. No vacancy on the board shall impair the 2613
power and authority of the remaining members to exercise all the 2614
powers of the board. 2615

(B) Whenever a written determination by the tax administrator 2616
issues a decision regarding a municipal income tax obligation that 2617
is subject to appeal as provided in this section or in an 2618
ordinance or regulation of the municipal corporation is issued, 2619
the tax administrator shall notify the taxpayer in writing at the 2620
same time of the taxpayer's right to appeal the ~~decision and of~~ 2621
written determination, the manner in which the taxpayer may appeal 2622
the ~~decision ruling,~~ and the address to which the appeal should be 2623
directed. 2624

(C) Any person who is aggrieved by a decision by the tax 2625
administrator and who has filed with the municipal corporation the 2626
required returns or other documents pertaining to the municipal 2627
income tax obligation at issue in the decision has been issued a 2628
written determination by the tax administrator may appeal the 2629
~~decision ruling~~ to the board created pursuant to this section by 2630
filing a request with the board. The request shall be in writing, 2631
shall ~~state~~ specify the reason or reasons why the ~~decision ruling~~ 2632
should be deemed incorrect or unlawful, and shall be filed within 2633
~~thirty~~ sixty days after the ~~tax administrator issues taxpayer~~ 2634
receives the decision complained of ruling. 2635

(D) The local board of tax review shall schedule a hearing to 2636
be held within ~~forty five~~ sixty days after receiving the ~~request~~ 2637
an appeal of a written determination by the tax administrator 2638

under division (C) of this section, unless the taxpayer requests 2639
additional time to prepare or waives a hearing. If the taxpayer 2640
does not waive the hearing, the taxpayer may appear before the 2641
board and may be represented by an attorney at law, certified 2642
public accountant, or other representative. The board may allow a 2643
hearing to be continued as jointly agreed to by the parties, but 2644
the hearing must be completed within one hundred twenty days after 2645
the first day of the hearing. 2646

~~(E)~~ The board may affirm, reverse, or modify ~~the tax~~ 2647
~~administrator's decision~~ a written determination by the tax 2648
administrator or any part of that ~~decision~~ ruling. The board shall 2649
issue a final decision on the appeal within ninety days after the 2650
board's final hearing on the appeal, and send a copy of its final 2651
decision by ordinary mail to all of the parties to the appeal 2652
within fifteen days after issuing the decision. The taxpayer or 2653
the tax administrator may appeal the board's decision as provided 2654
in section 5717.011 of the Revised Code. 2655

~~Each~~ (F) The local board of ~~appeal~~ tax review created 2656
pursuant to this section shall adopt rules governing its 2657
procedures and shall keep a record of its transactions. Such 2658
records are not public records available for inspection under 2659
section 149.43 of the Revised Code. Hearings requested by a 2660
taxpayer before a local board of ~~appeal~~ tax review created 2661
pursuant to this section are not meetings of a public body subject 2662
to section 121.22 of the Revised Code. 2663

Sec. 718.12. (A)(1)(a) Civil actions to recover municipal 2664
income taxes and penalties and interest on municipal income taxes 2665
shall be brought within the later of: 2666

(i) Three years after the tax was due or the return was 2667
filed, whichever is later; or 2668

(ii) One year after the conclusion of the qualifying deferral 2669

period, if any. 2670

(b) The time limit described in division (A)(1)(a) of this section may be extended at any time if both the tax administrator and the employer, agent of the employer, other payer, or taxpayer consent in writing to the extension. Any extension shall also extend for the same period of time the time limit described in division (C) of this section. 2671
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(2) As used in this section, "qualifying deferral period" means a period of time beginning and ending as follows: 2677
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(a) Beginning on the date a person who is aggrieved by a written determination by the tax administrator files with a local board of tax review the request described in section 718.11 of the Revised Code. That date shall not be affected by any subsequent decision, finding, or holding by any administrative body or 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 written determination by the tax administrator or any part of that determination. 2679
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(b) Ending the later of the sixtieth day after the date on which the decision of the local board of tax review becomes final or, 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. 2688
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(B) Prosecutions for an offense made punishable under a resolution or 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 2696
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reported, prosecutions may be commenced within six years after the 2701
commission of the offense. 2702

(C) A claim for a refund of municipal income taxes shall be 2703
brought within the time limitation provided in section 718.19 of 2704
the Revised Code. 2705

(D) Interest shall be allowed and paid on any overpayment by 2706
a taxpayer of any municipal income tax obligation from the date of 2707
the overpayment until the date of the refund of the overpayment, 2708
except that if any overpayment is refunded within ninety days 2709
after the final filing date of the annual return or ninety days 2710
after the completed return is filed, whichever is later, no 2711
interest shall be allowed on the refund. For the purpose of 2712
computing the payment of interest on amounts overpaid, no amount 2713
of tax for any taxable year shall be considered to have been paid 2714
before the date on which the return on which the tax is reported 2715
is due, without regard to any extension of time for filing that 2716
return. Interest shall be paid at the interest rate, as that term 2717
is defined in section 718.27 of the Revised Code. 2718

(E) Within sixty days after the final determination of any 2719
federal or state tax liability affecting the taxpayer's municipal 2720
tax liability, that taxpayer shall make and file an amended 2721
municipal return showing income subject to the municipal income 2722
tax based upon such final determination of federal or state tax 2723
liability, and pay any additional municipal income tax shown due 2724
thereon or make a claim for refund of any overpayment, unless the 2725
tax or overpayment is less than ten dollars. 2726

(F)(1) Notwithstanding the fact that an appeal is pending, 2727
the petitioner may pay all or a portion of the written 2728
determination by the tax administrator that is the subject of the 2729
appeal. The acceptance of a payment by the municipal corporation 2730
does not prejudice any claim for refund upon final determination 2731
of the appeal. 2732

(2) If upon final determination of the appeal an error in the 2733
written determination by the tax administrator is corrected by the 2734
tax administrator, upon an appeal so filed or pursuant to a 2735
decision of the local board of tax review created under section 2736
718.11 of the Revised Code, of the Ohio board of tax appeals, or 2737
any court to which the decision of the Ohio board of tax appeals 2738
has been appealed, so that the amount due from the party assessed 2739
under the corrected written determination is less than the amount 2740
paid, there shall be issued to the appellant or to the appellant's 2741
assigns or legal representative a refund in the amount of the 2742
overpayment as provided by section 718.19 of the Revised Code, 2743
with interest on that amount as provided by division (D) of this 2744
section. 2745

Sec. 718.121. (A) Except as provided in division (B) of this 2746
section, if tax or withholding is paid to a municipal corporation 2747
on income or wages, and if a second municipal corporation imposes 2748
or assesses a tax on that income or wages after the time period 2749
allowed for a refund of the tax or withholding paid to the first 2750
municipal corporation, the second municipal corporation shall 2751
allow a nonrefundable credit, against the tax or withholding the 2752
second municipality claims is due with respect to such income or 2753
wages, equal to the tax or withholding paid to the first municipal 2754
corporation with respect to such income or wages. 2755

(B) If the tax rate in the second municipal corporation is 2756
less than the tax rate in the first municipal corporation, then 2757
the credit described in division (A) of this section shall be 2758
calculated using the tax rate in effect in the second municipal 2759
corporation. 2760

(C) If the tax rate in the second municipal corporation is 2761
greater than the tax rate in the first municipal corporation, the 2762
tax due in excess of the credit afforded is to be paid to the 2763

second municipal corporation, along with any interest accruing 2764
thereto during the period of nonpayment. 2765

(D) Nothing in this section permits any credit carryforward. 2766

Sec. 718.13. (A) Any information gained as a result of 2767
returns, investigations, hearings, or verifications required or 2768
authorized by this chapter or by a charter or ordinance of a 2769
municipal corporation levying an income tax pursuant to this 2770
chapter is confidential, and no person shall access or disclose 2771
such information except in accordance with a proper judicial order 2772
or in connection with the performance of that person's official 2773
duties or the official business of the municipal corporation as 2774
authorized by this chapter or the charter or ordinance authorizing 2775
the levy. The tax administrator of the municipal corporation or a 2776
designee thereof may furnish copies of returns filed or otherwise 2777
received under this chapter and other related tax information to 2778
the internal revenue service ~~and to,~~ the tax commissioner, and tax 2779
administrators of other municipal corporations. 2780

(B) This section does not prohibit ~~the legislative authority~~ 2781
~~of a municipal corporation, by ordinance or resolution,~~ from 2782
~~authorizing the tax administrator to publish~~ publishing or 2783
disclosing statistics in a form that does not disclose information 2784
with respect to particular taxpayers. 2785

Sec. 718.18. (A)(1) Subject to division (B) of this section, 2786
a copy of each written determination by the tax administrator 2787
shall be served upon the person affected thereby either by 2788
personal service, by certified mail, or by a delivery service 2789
authorized under section 5703.056 of the Revised Code. 2790

(2) With the permission of the person affected by a written 2791
determination by the tax administrator, the tax administrator may 2792
deliver the determination through alternative means as provided in 2793

this section, including, but not limited to, delivery by secure 2794
electronic mail. Delivery by such means satisfies the requirements 2795
for delivery under this section. 2796

(B)(1)(a) If certified mail is returned because of an 2797
undeliverable address, a tax administrator shall utilize 2798
reasonable means to ascertain a new last known address, including 2799
the use of a change of address service offered by the postal 2800
service or an authorized delivery service under section 5703.056 2801
of the Revised Code. If, after using reasonable means, the tax 2802
administrator is unable to ascertain a new last known address, the 2803
written determination by the tax administrator shall be sent by 2804
ordinary mail and considered served. If the ordinary mail is 2805
subsequently returned because of an undeliverable address, the 2806
determination remains appealable within sixty days after the 2807
determination's postmark. 2808

(b) Notwithstanding delivery for collection under division 2809
(B)(1)(a) of this section, once the tax administrator or other 2810
municipal official, or the designee of either, serves a written 2811
determination by the tax administrator on the person to whom the 2812
determination is directed, the person may protest the ruling of 2813
that determination by filing an appeal with the local board of tax 2814
review within sixty days after the receipt of service. The 2815
delivery of a written determination of the tax administrator under 2816
division (B)(1)(a) of this section is prima facie evidence that 2817
delivery is complete and that the determination is served. 2818

(2) If mailing of a written determination by a tax 2819
administrator by certified mail is returned for some cause other 2820
than an undeliverable address, the tax administrator shall resend 2821
the written determination by ordinary mail. The written 2822
determination shall show the date the tax administrator sends the 2823
written determination and include the following statement: 2824

"This written determination by the tax administrator is 2825

deemed to be served on the addressee under applicable law ten days 2826
from the date this written determination was mailed by the tax 2827
administrator as shown on the written determination, and all 2828
periods within which an appeal may be filed apply from and after 2829
that date." 2830

Unless the mailing is returned because of an undeliverable 2831
address, the mailing of that information is prima facie evidence 2832
that delivery of the written determination was completed ten days 2833
after the tax administrator sent the written determination by 2834
ordinary mail and that the written determination was served. 2835

If the ordinary mail is subsequently returned because of an 2836
undeliverable address, the tax administrator shall proceed under 2837
division (B)(1)(a) of this section. A person may challenge the 2838
presumption of delivery and service under this division in 2839
accordance with division (C) of this section. 2840

(C)(1) A person disputing the presumption of delivery and 2841
service under division (B) of this section bears the burden of 2842
proving by a preponderance of the evidence that the address to 2843
which the written determination by the tax administrator was sent 2844
was not an address with which the person was associated at the 2845
time the tax administrator originally mailed the written 2846
determination by certified mail. For the purposes of this section, 2847
a person is associated with an address at the time the tax 2848
administrator originally mailed the written determination if, at 2849
that time, the person was residing, receiving legal documents, or 2850
conducting business at the address; or if, before that time, the 2851
person had conducted business at the address and, when the written 2852
determination was mailed, the person's agent or the person's 2853
affiliate was conducting business at the address. For the purposes 2854
of this section, a person's affiliate is any other person that, at 2855
the time the written determination was mailed, owned or controlled 2856
at least twenty per cent, as determined by voting rights, of the 2857

addressee's business. 2858

(2) If the person elects to appeal a written determination by the tax administrator 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. 2859
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(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering a written determination by a tax administrator by personal service. 2866
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(E) Collection actions taken upon any written determination by the tax administrator 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 written determination shall be stayed. 2869
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(F) As used in this section: 2876

(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. 2877
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(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 of the tax administrator, except when the reason for nondelivery is because the addressee fails to acknowledge or accept the determination. 2883
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Sec. 718.19. (A) Upon receipt of a refund application, the tax administrator of a municipal corporation, in accordance with this section, shall refund to employers, agents of employers, other payers, or taxpayers, with respect to any income or withholding tax levied by the municipal corporation:

(1) Overpayments of more than ten dollars;

(2) Amounts in excess of ten dollars paid erroneously.

(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 within three years after the tax was due or paid, whichever is later. The tax administrator may require an applicant to file with the application any documentation that substantiates the applicant's claim for a refund.

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) 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 2919
postmark date was affixed to the cover in which the application is 2920
enclosed or the date of the postmark so affixed is not legible, 2921
and the application is received within seven days of the last day 2922
for making the application. 2923

(D) As used in this section, "withholding tax" has the same 2924
meaning as in section 718.27 of the Revised Code. 2925

Sec. 718.22. (A) A tax administrator may, by rule, prescribe 2926
uniform requirements as to the keeping of records and other 2927
pertinent documents related to the liability of any person for a 2928
tax imposed by a municipal corporation in accordance with this 2929
chapter, and as to the filing of copies of federal income tax 2930
returns and determinations. Such records and other documents shall 2931
be open to the tax administrator's inspection during business 2932
hours and shall be preserved for a period of six years following 2933
the end of the taxable year to which the records or documents 2934
relate, unless the tax administrator, in writing, consents to 2935
their destruction within that period, or by order requires that 2936
they be kept longer. 2937

(B) In addition to any requirements prescribed pursuant to 2938
division (A) of this section, the tax administrator of a municipal 2939
corporation may require any person, by notice served on that 2940
person, to keep such records as the tax administrator determines 2941
necessary to show whether or not that person is liable, and the 2942
extent of such liability, for the income tax levied by the 2943
municipal corporation or for the withholding of such tax. 2944

Sec. 718.23. (A) A tax administrator, or any authorized agent 2945
or employee thereof may examine the books, papers, records, and 2946
federal and state income tax returns of any employer, taxpayer, or 2947
other person that is subject to, or that the tax administrator 2948

believes is subject to, the provisions of this chapter for the 2949
purpose of verifying the accuracy of any return made or, if no 2950
return was filed, to ascertain the tax due under this chapter. 2951
Upon written request by the tax administrator or a duly authorized 2952
agent or employee thereof, every employer, taxpayer, or other 2953
person subject to this section is required to furnish the 2954
opportunity for the tax administrator, authorized agent, or 2955
employee to investigate and examine such books, papers, records, 2956
and federal income tax returns at a reasonable time and place 2957
designated in the request. 2958

(B) The tax administrator may examine under oath any person 2959
that the tax administrator reasonably believes has knowledge 2960
concerning any income that was or would have been returned for 2961
taxation or any transaction tending to affect such income. The tax 2962
administrator may, for this purpose, compel any such person to 2963
attend a hearing or examination and to produce any books, papers, 2964
records, and federal income tax returns in such person's 2965
possession or control. The person may be assisted or represented 2966
by an attorney, accountant, bookkeeper, or other tax practitioner 2967
at any such hearing or examination. This division does not 2968
authorize the practice of law by a person who is not an attorney. 2969

No person issued written notice by the tax administrator 2970
compelling such attendance or production of books, papers, 2971
records, or federal income tax returns under this division shall 2972
fail to comply. 2973

Sec. 718.24. Nothing in this chapter shall limit the 2974
authority of a tax administrator to perform any of the following 2975
duties or functions, unless the performance of such duties or 2976
functions is expressly limited by a provision of the Revised Code 2977
or the charter or ordinances of the municipal corporation: 2978

(A) Exercise all powers whatsoever of an inquisitorial nature 2979

as provided by law, including, the right to inspect books, 2980
accounts, records, memorandums, and federal and state income tax 2981
returns, to examine persons under oath, to issue orders or 2982
subpoenas for the production of books, accounts, papers, records, 2983
documents, and testimony, to take depositions, to apply to a court 2984
for attachment proceedings as for contempt, to approve vouchers 2985
for the fees of officers and witnesses, and to administer oaths; 2986
provided that the powers referred to in this division of this 2987
section shall be exercised by the tax administrator only in 2988
connection with the performance of the duties respectively 2989
assigned to the tax administrator under a municipal corporation 2990
income tax ordinance or resolution adopted in accordance with this 2991
chapter; 2992

(B) Appoint agents and prescribe their powers and duties; 2993

(C) Confer and meet with officers of other municipal 2994
corporations and states and officers of the United States on any 2995
matters pertaining to their respective official duties as provided 2996
by law; 2997

(D) Exercise the authority provided by law, including orders 2998
from bankruptcy courts, relative to remitting or refunding taxes, 2999
including penalties and interest thereon, illegally or erroneously 3000
imposed or collected, or for any other reason overpaid, and, in 3001
addition, the tax administrator may investigate any claim of 3002
overpayment and make a written statement of the tax 3003
administrator's findings, and, if the tax administrator finds that 3004
there has been an overpayment, approve and issue a refund payable 3005
to the taxpayer, the taxpayer's assigns, or legal representative 3006
as provided in this chapter; 3007

(E) Exercise the authority provided by law relative to 3008
consenting to the compromise and settlement of tax claims; 3009

(F) Exercise the authority provided by law relative to the 3010

use of alternative apportionment methods by taxpayers in 3011
accordance with section 718.02 of the Revised Code; 3012

(G) Make all tax findings, determinations, computations, and 3013
orders the tax administrator is by law authorized and required to 3014
make and, pursuant to time limitations provided by law, on the tax 3015
administrator's own motion, review, redetermine, or correct any 3016
tax findings, determinations, computations, or orders the tax 3017
administrator has made, but the tax administrator shall not 3018
review, redetermine, or correct any tax finding, determination, 3019
computation, or order which the tax administrator has made as to 3020
which an appeal has been filed with the local board of tax review 3021
or other appropriate tribunal, unless such appeal or application 3022
is withdrawn by the appellant or applicant, is dismissed, or is 3023
otherwise final; 3024

(H) Destroy any or all returns or other tax documents in the 3025
manner authorized by law; 3026

(I) Enter into an agreement with a taxpayer to simplify the 3027
withholding obligations described in section 718.03 of the Revised 3028
Code. 3029

Sec. 718.25. A person may round to the nearest whole dollar 3030
all amounts the person is required to enter on any return, report, 3031
voucher, or other document required under this chapter. Any 3032
fractional part of a dollar that equals or exceeds fifty cents 3033
shall be rounded to the next whole dollar, and any fractional part 3034
of a dollar that is less than fifty cents shall be dropped. If a 3035
person chooses to round amounts entered on a document, the person 3036
shall round all amounts entered on the document. 3037

Sec. 718.26. (A) Nothing in this chapter prohibits a tax 3038
administrator from requiring any person filing a tax document with 3039
the tax administrator to provide identifying information, which 3040

may include the person's social security number, federal employer 3041
identification number, or other identification number requested by 3042
the tax administrator. A person required by the tax administrator 3043
to provide identifying information that has experienced any change 3044
with respect to that information shall notify the tax 3045
administrator of the change before, or upon, filing the next tax 3046
document requiring the identifying information. 3047

(B) When transmitting or otherwise making use of a tax 3048
document that contains a person's social security number, the tax 3049
administrator shall take all reasonable measures necessary to 3050
ensure that the number is not capable of being viewed by the 3051
general public, including, when necessary, masking the number so 3052
that it is not readily discernible by the general public. The tax 3053
administrator shall not put a person's social security number on 3054
the outside of any material mailed to the person. 3055

(C)(1) If the tax administrator makes a request for 3056
identifying information and the tax administrator does not receive 3057
valid identifying information within thirty days of making the 3058
request, nothing in this chapter prohibits the tax administrator 3059
from imposing a penalty upon the person to whom the request was 3060
directed pursuant to section 718.27 of the Revised Code, in 3061
addition to any applicable penalty described in section 718.99 of 3062
the Revised Code. 3063

(2) If a person required by the tax administrator to provide 3064
identifying information does not notify the tax administrator of a 3065
change with respect to that information as required under division 3066
(A) of this section within thirty days after filing the next tax 3067
document requiring such identifying information, nothing in this 3068
chapter prohibits the tax administrator from imposing a penalty 3069
pursuant to section 718.27 of the Revised Code. 3070

(3) The penalties provided for under divisions (C)(1) and (2) 3071

of this section may be billed and imposed in the same manner as 3072
the tax or fee with respect to which the identifying information 3073
is sought and are in addition to any applicable criminal penalties 3074
described in section 718.99 of the Revised Code for a violation of 3075
section 718.35 of the Revised Code and any other penalties that 3076
may be imposed by the tax administrator by law. 3077

Sec. 718.27. (A) As used in this section: 3078

(1) "Applicable law" means this chapter, the resolutions, 3079
ordinances, codes, directives, instructions, and rules adopted by 3080
a municipal corporation provided such resolutions, ordinances, 3081
codes, directives, instructions, and rules impose or directly or 3082
indirectly address the levy, payment, remittance, or filing 3083
requirements of a municipal income tax. 3084

(2) "Income tax," "estimated income tax," and "withholding 3085
tax" means any income tax, estimated income tax, and withholding 3086
tax imposed by a municipal corporation pursuant to applicable law, 3087
including at any time before January 1, 2015. 3088

(3) A "return" includes any tax return, report, 3089
reconciliation, schedule, and other document required to be filed 3090
with a tax administrator or municipal corporation by a taxpayer, 3091
employer, any agent of the employer, or any other payer pursuant 3092
to applicable law, including at any time before January 1, 2015. 3093

(4) "Federal short-term rate" means the rate of the average 3094
market yield on outstanding marketable obligations of the United 3095
States with remaining periods to maturity of three years or less, 3096
as determined under section 1274 of the Internal Revenue Code, for 3097
July of the current year. 3098

(5) "Interest rate as described in division (A) of this 3099
section" means the federal short-term rate, rounded to the nearest 3100
whole number per cent, plus five per cent. The rate shall apply 3101

for the calendar year next following the July of the year in which 3102
the federal short-term rate is determined in accordance with 3103
division (A)(4) of this section. 3104

(6) "Unpaid estimated income tax" means estimated income tax 3105
due but not paid by the date the tax is required to be paid under 3106
applicable law. 3107

(7) "Unpaid income tax" means income tax due but not paid by 3108
the date the income tax is required to be paid under applicable 3109
law. 3110

(8) "Unpaid withholding tax" means withholding tax due but 3111
not paid by the date the withholding tax is required to be paid 3112
under applicable law. 3113

(9) "Withholding tax" includes amounts an employer, any agent 3114
of an employer, or any other payer did not withhold in whole or in 3115
part from an employee's qualifying wages, but that, under 3116
applicable law, the employer, agent, or other payer is required to 3117
withhold from an employee's qualifying wages. 3118

(B)(1) This section applies to the following: 3119

(a) Any return required to be filed under applicable law for 3120
taxable years beginning on or after January 1, 2015; 3121

(b) Income tax, estimated income tax, and withholding tax 3122
required to be paid or remitted to the municipal corporation on or 3123
after January 1, 2015; 3124

(c) Income tax, estimated income tax, and withholding tax 3125
required to be paid or remitted to the municipal corporation any 3126
time before January 1, 2015, if the income tax, estimated income 3127
tax, or withholding tax has not been paid or remitted on or before 3128
June 30, 2015. 3129

(2) This section does not apply to returns required to be 3130
filed or payments required to be made before January 1, 2015, 3131

regardless of the filing or payment date. Returns required to be 3132
filed or payments required to be made before January 1, 2015, but 3133
filed or paid after that date shall be subject to the ordinances 3134
or rules, as adopted before January 1, 2015, of the municipal 3135
corporation to which the return is to be filed or the payment is 3136
to be made. 3137

(C) Each municipal corporation levying a tax on income shall 3138
impose on a taxpayer, employer, any agent of the employer, and any 3139
other payer, and must attempt to collect, the interest amounts and 3140
penalties prescribed under division (C) of this section when the 3141
taxpayer, employer, any agent of the employer, or any other payer 3142
for any reason fails, in whole or in part, to make to the 3143
municipal corporation timely and full payment or remittance of 3144
income tax, estimated income tax, or withholding tax or to file 3145
timely with the municipal corporation any return required to be 3146
filed. 3147

(1) Interest shall be imposed at the rate described in 3148
division (A) of this section, per annum, on all unpaid income tax, 3149
unpaid estimated income tax, and unpaid withholding tax. 3150

(2)(a) With respect to unpaid income tax and unpaid estimated 3151
income tax, a municipal corporation shall impose a penalty equal 3152
to fifteen per cent of the amount not timely paid. 3153

(b) With respect to any unpaid withholding tax, a municipal 3154
corporation shall impose a penalty equal to fifty per cent of the 3155
amount not timely paid. 3156

(3)(a) With respect to annual income tax returns for 3157
individuals, a municipal corporation shall impose a penalty of 3158
twenty-five dollars for each failure to timely file each return, 3159
regardless of the liability shown thereon. 3160

(b) With respect to returns other than annual income tax 3161
returns for individuals and estimated income tax returns, a 3162

municipal corporation shall impose a penalty of twenty-five 3163
dollars for each failure to timely file each return, regardless of 3164
the liability shown thereon for each month, or any fraction 3165
thereof, during which the return remains unfiled regardless of the 3166
liability shown thereon. The penalty shall not exceed one hundred 3167
fifty dollars for each failure. 3168

(D)(1) With respect to the income taxes, estimated income 3169
taxes, withholding taxes, and returns, no municipal corporation 3170
shall impose, seek to collect, or collect any penalty, amount of 3171
interest, charges, or additional fees not described in this 3172
section. 3173

(2) With respect to the income taxes, estimated income taxes, 3174
withholding taxes, and returns not described in division (A) of 3175
this section, nothing in this section requires a municipal 3176
corporation to refund or credit any penalty, amount of interest, 3177
charges, or additional fees that the municipal corporation has 3178
properly imposed or collected before January 1, 2015. 3179

(E) Nothing in this section limits the authority of a 3180
municipal corporation to abate or partially abate penalties or 3181
interest imposed under this section when the tax administrator 3182
determines, in the tax administrator's sole discretion, that such 3183
abatement is appropriate. 3184

(F) By the thirty-first day of October of each year the 3185
municipal corporation shall publish the rate described in division 3186
(A) of this section applicable to the next succeeding calendar 3187
year. 3188

(G) The municipal corporation may impose on the taxpayer, 3189
employer, any agent of the employer, or any other payer the 3190
municipal corporation's post-judgment collection costs and fees, 3191
including attorney's fees. 3192

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. 3193
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(B) Nothing in this chapter prohibits a tax administrator from doing either of the following if such action is in the best interests of the municipal corporation: 3197
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(1) Compromise a claim; 3200

(2) Extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments. 3201
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(C) The tax administrator 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: 3203
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(1) There exists a doubt as to whether the claim can be collected. 3207
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(2) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration. 3209
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(3) There exists a joint liability among spouses, one of whom is an innocent spouse, provided that any relief under this standard shall only affect the claim as to the innocent spouse. A spouse granted relief under section 6015 of the Internal Revenue Code with regard to any income item is rebuttably presumed to be an innocent spouse with regard to that income item to the extent that income item is included in or otherwise affects the computation of a municipal income tax or any penalty or interest on that tax. 3211
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(4) Any other reasonable standard that the tax administrator establishes. 3220
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(D) The tax administrator's rejection of a compromise or 3222

payment-over-time agreement proposed by a person with respect to a 3223
claim shall not be appealable. 3224

(E) A compromise or payment-over-time agreement with respect 3225
to a claim shall be binding upon and shall inure to the benefit of 3226
only the parties to the compromise or agreement, and shall not 3227
extinguish or otherwise affect the liability of any other person. 3228

(F) A compromise or payment-over-time agreement with respect 3229
to a claim shall be void if the taxpayer defaults under the 3230
compromise or agreement or if the compromise or agreement was 3231
obtained by fraud or by misrepresentation of a material fact. Any 3232
amount that was due before the compromise or agreement and that is 3233
unpaid shall remain due, and any penalties or interest that would 3234
have accrued in the absence of the compromise or agreement shall 3235
continue to accrue and be due. 3236

Sec. 718.30. Nothing in this chapter prohibits the 3237
legislative authority of a municipal corporation, or a tax 3238
administrator pursuant to authority granted to the administrator 3239
by resolution or ordinance, to adopt rules to administer an income 3240
tax imposed by the municipal corporation in accordance with this 3241
chapter. Such rules shall not conflict with or be inconsistent 3242
with any provision of this chapter. All rules adopted under this 3243
section shall be published and posted on the internet as described 3244
in section 718.07 of the Revised Code. 3245

Sec. 718.31. (A) To carry out the purposes of laws that a tax 3246
administrator is required to administer, the tax administrator or 3247
any person employed by the tax administrator for that purpose, 3248
upon demand, may inspect the books, accounts, records, memoranda, 3249
and federal and state income tax returns of any person subject to 3250
those laws, and may examine under oath any officer, agent, or 3251
employee of that person. Any person other than the tax 3252

administrator who makes a demand pursuant to this section shall 3253
produce the person's authority to make the inspection. 3254

(B) If a person receives at least ten days' written notice of 3255
a demand made under division (A) of this section and refuses to 3256
comply with that demand, the tax administrator may impose a 3257
penalty on the person pursuant to section 718.27 of the Revised 3258
Code. 3259

(C) No person hired or retained by a tax administrator to 3260
examine or inspect a taxpayer's books shall be paid on a 3261
contingency basis. 3262

Sec. 718.35. No person shall knowingly make, present, aid, or 3263
assist in the preparation or presentation of a false or fraudulent 3264
report, return, schedule, statement, claim, or document authorized 3265
or required by municipal corporation ordinance or state law to be 3266
filed with a tax administrator, or knowingly procure, counsel, or 3267
advise the preparation or presentation of such report, return, 3268
schedule, statement, claim, or document, or knowingly change, 3269
alter, or amend, or knowingly procure, counsel or advise such 3270
change, alteration, or amendment of the records upon which such 3271
report, return, schedule, statement, claim, or document is based 3272
with intent to defraud the municipal corporation or a tax 3273
administrator. 3274

Sec. 718.38. (A) An "opinion of the tax administrator" means 3275
an opinion issued under this section with respect to prospective 3276
municipal income tax liability. It does not include ordinary 3277
correspondence of the tax administrator. 3278

(B) A taxpayer may submit a written request for an opinion of 3279
the tax administrator as to whether or how certain income, source 3280
of income, or a certain activity or transaction will be taxed. The 3281
written response of the tax administrator shall be an "opinion of 3282

the tax administrator" and shall bind the tax administrator, in 3283
accordance with divisions (C), (G), and (H) of this section, 3284
provided all of the following conditions are satisfied: 3285

(1) The taxpayer's request fully and accurately describes the 3286
specific facts or circumstances relevant to a determination of the 3287
taxability of the income, source of income, activity, or 3288
transaction, and, if an activity or transaction, all parties 3289
involved in the activity or transaction are clearly identified by 3290
name, location, or other pertinent facts. 3291

(2) The request relates to a tax imposed by the municipal 3292
corporation in accordance with this chapter. 3293

(3) The tax administrator's response is signed by the tax 3294
administrator and designated as an "opinion of the tax 3295
administrator." 3296

(C) An opinion of the tax administrator shall remain in 3297
effect and shall protect the taxpayer for whom the opinion was 3298
prepared and who reasonably relies on it from liability for any 3299
taxes, penalty, or interest otherwise chargeable on the activity 3300
or transaction specifically held by the tax administrator's 3301
opinion to be taxable in a particular manner or not to be subject 3302
to taxation for any taxable years that may be specified in the 3303
opinion, or until the earliest of the following dates: 3304

(1) The effective date of a written revocation by the tax 3305
administrator sent to the taxpayer by certified mail, return 3306
receipt requested. The effective date of the revocation shall be 3307
the taxpayer's date of receipt or one year after the issuance of 3308
the opinion, whichever is later; 3309

(2) The effective date of any amendment or enactment of a 3310
relevant section of the Revised Code, uncodified state law, or the 3311
municipal corporation's income tax ordinance that would 3312
substantially change the analysis and conclusion of the opinion of 3313

<u>the tax administrator;</u>	3314
<u>(3) The date on which a court issues an opinion establishing</u>	3315
<u>or changing relevant case law with respect to the Revised Code,</u>	3316
<u>uncodified state law, or the municipal corporation's income tax</u>	3317
<u>ordinance;</u>	3318
<u>(4) If the opinion of the tax administrator was based on the</u>	3319
<u>interpretation of federal law, the effective date of any change in</u>	3320
<u>the relevant federal statutes or regulations, or the date on which</u>	3321
<u>a court issues an opinion establishing or changing relevant case</u>	3322
<u>law with respect to federal statutes or regulations;</u>	3323
<u>(5) The effective date of any change in the taxpayer's</u>	3324
<u>material facts or circumstances;</u>	3325
<u>(6) The effective date of the expiration of the opinion, if</u>	3326
<u>specified in the opinion.</u>	3327
<u>(D) A taxpayer is not relieved of tax liability for any</u>	3328
<u>activity or transaction related to a request for an opinion that</u>	3329
<u>contained any misrepresentation or omission of one or more</u>	3330
<u>material facts.</u>	3331
<u>(E) If a tax administrator provides written advice under this</u>	3332
<u>section, the opinion shall include a statement that:</u>	3333
<u>(1) The tax consequences stated in the opinion may be subject</u>	3334
<u>to change for any of the reasons stated in division (C) of this</u>	3335
<u>section;</u>	3336
<u>(2) It is the duty of the taxpayer to be aware of such</u>	3337
<u>changes.</u>	3338
<u>(F) A tax administrator may refuse to offer an opinion on any</u>	3339
<u>request received under this section.</u>	3340
<u>(G) This section binds a tax administrator only with respect</u>	3341
<u>to opinions of the tax administrator issued on or after January 1,</u>	3342
<u>2015.</u>	3343

(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. 3344
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(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. 3348
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(J) An opinion of the tax administrator issued under this section may not be appealed. 3355
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Sec. 718.41. (A) A taxpayer shall file an amended return with the tax administrator in such form as the tax administrator requires if 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. If a taxpayer intends to file an amended consolidated municipal income tax return, the taxpayer shall notify the tax administrator before filing the amended return. 3357
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(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 ten dollars or less, such amount need not accompany the amended return. Except as provided under division (B)(2) of this section, the amended return shall not reopen those facts, figures, 3369
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computations, or attachments from a previously filed return that 3375
are not affected, either directly or indirectly, by the adjustment 3376
to the taxpayer's federal or state income tax return unless the 3377
applicable statute of limitations for civil actions or 3378
prosecutions under section 718.12 of the Revised Code has not 3379
expired for a previously filed return. 3380

(2) The additional tax to be paid shall not exceed the amount 3381
of tax that would be due if all facts, figures, computations, and 3382
attachments were reopened. 3383

(C)(1) In the case of an overpayment, an application for 3384
refund may be filed under this division within the period 3385
prescribed by section 718.12 of the Revised Code for filing the 3386
amended return even if it is filed beyond the period prescribed in 3387
section 718.19 of the Revised Code if it otherwise conforms to the 3388
requirements of that section. If the amount of the refund is ten 3389
dollars or less, no refund need be paid by the municipal 3390
corporation to the taxpayer. Except as set forth in division 3391
(C)(2) of this section, an application filed under this division 3392
shall claim refund of overpayments resulting from alterations to 3393
only those facts, figures, computations, or attachments required 3394
in the taxpayer's annual return that are affected, either directly 3395
or indirectly, by the adjustment to the taxpayer's federal or 3396
state income tax return unless it is also filed within the time 3397
prescribed in section 718.19 of the Revised Code. Except as set 3398
forth in division (C)(2) of this section, the application shall 3399
not reopen those facts, figures, computations, or attachments that 3400
are not affected, either directly or indirectly, by the adjustment 3401
to the taxpayer's federal or state income tax return. 3402

(2) The amount to be refunded shall not exceed the amount of 3403
refund that would be due if all facts, figures, computations, and 3404
attachments were reopened. 3405

Sec. 718.04 718.50. (A) No municipal corporation other than 3406
the municipal corporation of residence shall levy a tax on the 3407
income of any member or employee of the Ohio general assembly 3408
including the lieutenant governor which income is received as a 3409
result of services rendered as such member or employee and is paid 3410
from appropriated funds of this state. 3411

(B) No municipal corporation other than the municipal 3412
corporation of residence and the city of Columbus shall levy a tax 3413
on the income of the chief justice or a justice of the supreme 3414
court received as a result of services rendered as the chief 3415
justice or justice. No municipal corporation other than the 3416
municipal corporation of residence shall levy a tax on the income 3417
of a judge sitting by assignment of the chief justice or on the 3418
income of a district court of appeals judge sitting in multiple 3419
locations within the district, received as a result of services 3420
rendered as a judge. 3421

Sec. 718.99. (A) Except as provided in division (B) of this 3422
section, whoever violates section 718.35 of the Revised Code, 3423
division (A) of section 718.13 of the Revised Code, or section 3424
718.03 of the Revised Code by failing to remit municipal income 3425
taxes deducted and withheld from an employee, shall be guilty of a 3426
misdemeanor of the first degree and shall be subject to a fine of 3427
one thousand dollars or imprisonment for a term of up to six 3428
months, or both, unless the violation is punishable by a municipal 3429
ordinance or resolution imposing a greater penalty or requiring 3430
dismissal from office or discharge from employment, or both, in 3431
which case the municipal ordinance or resolution shall govern. 3432

(B) Any person who discloses information received from the 3433
Internal Revenue Service in violation of division (A) of section 3434
718.13 of the Revised Code shall be guilty of a felony of the 3435
fifth degree and shall be subject to a fine of not more than five 3436

thousand dollars plus the costs of prosecution, or imprisonment 3437
for a term not exceeding five years, or both, unless the violation 3438
is punishable by a municipal ordinance imposing a greater penalty 3439
or requiring dismissal from office or discharge from employment, 3440
or both, in which case the municipal ordinance shall govern. 3441

(C) Each instance of access or disclosure in violation of 3442
division (A) of section 718.13 of the Revised Code constitutes a 3443
separate offense. 3444

(D) Nothing in this chapter prohibits a municipal corporation 3445
from prosecuting offenses which are made punishable under a 3446
municipal ordinance or resolution levying an income tax and for 3447
which no other penalty is provided under this chapter. 3448

Sec. 5703.059. (A) The tax commissioner may adopt rules 3449
requiring returns, including any accompanying schedule or 3450
statement, for any of the following taxes to be filed 3451
electronically using the Ohio business gateway as defined in 3452
section ~~718.051~~ 718.01 of the Revised Code, filed telephonically 3453
using the system known as the Ohio telefile system, or filed by 3454
any other electronic means prescribed by the commissioner: 3455

(1) Employer income tax withholding under Chapter 5747. of 3456
the Revised Code; 3457

(2) Motor fuel tax under Chapter 5735. of the Revised Code; 3458

(3) Cigarette and tobacco product tax under Chapter 5743. of 3459
the Revised Code; 3460

(4) Severance tax under Chapter 5749. of the Revised Code; 3461

(5) Use tax under Chapter 5741. of the Revised Code; 3462

(6) Commercial activity tax under Chapter 5751. of the 3463
Revised Code; 3464

(7) Financial institutions tax under Chapter 5726. of the 3465

Revised Code;	3466
(8) Motor fuel receipts tax under Chapter 5736. of the Revised Code;	3467
(9) Horse-racing taxes under Chapter 3769. of the Revised Code.	3468
(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.	3469
(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.	3470
(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.	3471
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.	3472
(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	3473
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administrative services enhancements that will improve the Ohio 3496
business gateway. The committee shall consider all banking, 3497
technological, administrative, and other issues associated with 3498
the Ohio business gateway and shall make recommendations regarding 3499
the type of reporting forms or other tax documents to be filed 3500
through the Ohio business gateway. 3501

(C) The committee shall consist of: 3502

(1) The following members, appointed by the governor with the 3503
advice and consent of the senate: 3504

(a) Not more than four representatives of the business 3505
community; 3506

(b) Not more than ~~one representative~~ three representatives of 3507
municipal tax administrators selected from a list of candidates 3508
provided by the Ohio municipal league; and 3509

(c) Not more than two tax practitioners. 3510

(2) The following ex officio members: 3511

(a) The director or other highest officer of each state 3512
agency that has tax reporting forms or other tax documents filed 3513
with it through the Ohio business gateway or the director's 3514
designee; 3515

(b) The secretary of state or the secretary of state's 3516
designee; 3517

(c) The treasurer of state or the treasurer of state's 3518
designee; 3519

(d) The director of budget and management or the director's 3520
designee; 3521

(e) The state chief information officer or the officer's 3522
designee; 3523

(f) The tax commissioner or the tax commissioner's designee; 3524

and 3525

(g) The director of development or the director's designee. 3526

An appointed member shall serve until the member resigns or 3527
is removed by the governor. Vacancies shall be filled in the same 3528
manner as original appointments. 3529

(D) A vacancy on the committee does not impair the right of 3530
the other members to exercise all the functions of the committee. 3531
The presence of a majority of the members of the committee 3532
constitutes a quorum for the conduct of business of the committee. 3533
The concurrence of at least a majority of the members of the 3534
committee is necessary for any action to be taken by the 3535
committee. On request, each member of the committee shall be 3536
reimbursed for the actual and necessary expenses incurred in the 3537
discharge of the member's duties. 3538

(E) The committee is a part of the department of taxation for 3539
administrative purposes. 3540

(F) Each year, the governor shall select a member of the 3541
committee to serve as chairperson. The chairperson shall appoint 3542
an official or employee of the department of taxation to act as 3543
the committee's secretary. The secretary shall keep minutes of the 3544
committee's meetings and a journal of all meetings, proceedings, 3545
findings, and determinations of the committee. 3546

(G) The committee may hire professional, technical, and 3547
clerical staff needed to support its activities. 3548

(H) The committee shall meet as often as necessary to perform 3549
its duties. 3550

Sec. 5717.011. (A) As used in this chapter, "tax 3551
administrator" has the same meaning as in section 718.01 of the 3552
Revised Code. 3553

(B) Appeals from a ~~municipal~~ decision of a local board of 3554

~~appeal tax review~~ created under section 718.11 of the Revised Code 3555
may be taken by the taxpayer or the tax administrator to the board 3556
of tax appeals or may be taken by the taxpayer or the tax 3557
administrator to a court of common pleas as otherwise provided by 3558
law. If the taxpayer or the tax administrator elects to make an 3559
appeal to the board of tax appeals or court of common pleas, and 3560
subject to section 5703.021 of the Revised Code with respect to 3561
appeals assigned to the small claims docket, the appeal shall be 3562
taken by the filing of a notice of appeal with the board of tax 3563
appeals or court of common pleas, the ~~municipal~~ local board of 3564
~~appeal tax review~~, and the opposing party. The notice of appeal 3565
shall be filed within sixty days after the day the appellant 3566
receives notice of the decision issued under section 718.11 of the 3567
Revised Code. An appeal filed with a court of common pleas is 3568
governed by the Rules of Civil Procedure and other rules of 3569
practice and procedure applicable to civil actions. For an appeal 3570
filed with the board of tax appeals, the notice of appeal may be 3571
filed in person or by certified mail, express mail, facsimile 3572
transmission, electronic transmission, or by authorized delivery 3573
service as provided in section 5703.056 of the Revised Code. If 3574
the notice of appeal is filed by certified mail, express mail, or 3575
authorized delivery service as provided in section 5703.056 of the 3576
Revised Code, the date of the United States postmark placed on the 3577
sender's receipt by the postal service or the date of receipt 3578
recorded by the authorized delivery service shall be treated as 3579
the date of filing with the board. If notice of appeal is filed by 3580
facsimile transmission or electronic transmission, the date and 3581
time the notice is received by the board shall be the date and 3582
time reflected on a timestamp provided by the board's electronic 3583
system, and the appeal shall be considered filed with the board on 3584
the date reflected on that timestamp. Any timestamp provided by 3585
another computer system or electronic submission device shall not 3586
affect the time and date the notice is received by the board. The 3587

notice of appeal shall have attached thereto and incorporated 3588
therein by reference a true copy of the decision issued under 3589
section 718.11 of the Revised Code, but failure to attach a copy 3590
of such notice and incorporate it by reference in the notice of 3591
appeal does not invalidate the appeal. 3592

(C) A notice of appeal for an appeal filed with the board of 3593
tax appeals shall contain a short and plain statement of the 3594
claimed errors in the decision of the ~~municipal~~ local board of 3595
~~appeal~~ tax review showing that the appellant is entitled to relief 3596
and a demand for the relief to which the appellant claims to be 3597
entitled. An appellant may amend the notice of appeal once as a 3598
matter of course within sixty days after the certification of the 3599
transcript. Otherwise, an appellant may amend the notice of appeal 3600
only after receiving leave of the board or the written consent of 3601
each adverse party. Leave of the board shall be freely given when 3602
justice so requires. 3603

(D) Upon the filing of a notice of appeal with the board of 3604
tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall 3605
certify to the board of tax appeals a transcript of the record of 3606
the proceedings before it, together with all evidence considered 3607
by it in connection therewith. Such appeals may be heard by the 3608
board at its office in Columbus or in the county where the 3609
appellant resides, or it may cause its examiners to conduct such 3610
hearings and to report to it their findings for affirmation or 3611
rejection. The board may order the appeal to be heard upon the 3612
record and the evidence certified to it by the tax administrator, 3613
but upon the application of any interested party the board shall 3614
order the hearing of additional evidence, and the board may make 3615
such investigation concerning the appeal as it considers proper. 3616
An appeal may proceed pursuant to section 5703.021 of the Revised 3617
Code on the small claims docket if the appeals qualifies under 3618
that section. 3619

(E) If an issue being appealed under this section is 3620
addressed in a municipal corporation's ordinance or regulation, 3621
the tax administrator, upon the request of the board of tax 3622
appeals, shall provide a copy of the ordinance or regulation to 3623
the board of tax appeals. 3624

Sec. 5717.03. (A) A decision of the board of tax appeals on 3625
an appeal filed with it pursuant to section 5717.01, 5717.011, or 3626
5717.02 of the Revised Code shall be entered of record on the 3627
journal together with the date when the order is filed with the 3628
secretary for journalization. 3629

(B) In case of an appeal from a decision of a county board of 3630
revision, the board of tax appeals shall determine the taxable 3631
value of the property whose valuation or assessment by the county 3632
board of revision is complained of, or in the event the complaint 3633
and appeal is against a discriminatory valuation, shall determine 3634
a valuation which shall correct such discrimination, and shall 3635
determine the liability of the property for taxation, if that 3636
question is in issue, and the board of tax appeals' decision and 3637
the date when it was filed with the secretary for journalization 3638
shall be sent by the board to all persons who were parties to the 3639
appeal before the board, to the person in whose name the property 3640
is listed, or sought to be listed, if such person is not a party 3641
to the appeal, to the county auditor of the county in which the 3642
property involved in the appeal is located, and to the tax 3643
commissioner. 3644

In correcting a discriminatory valuation, the board of tax 3645
appeals shall increase or decrease the value of the property whose 3646
valuation or assessment by the county board of revision is 3647
complained of by a per cent or amount which will cause such 3648
property to be listed and valued for taxation by an equal and 3649
uniform rule. 3650

(C) In the case of an appeal from a review, redetermination, 3651
or correction of a tax assessment, valuation, determination, 3652
finding, computation, or order of the tax commissioner, the order 3653
of the board of tax appeals and the date of the entry thereof upon 3654
its journal shall be sent by the board to all persons who were 3655
parties to the appeal before the board, the person in whose name 3656
the property is listed or sought to be listed, if the decision 3657
determines the valuation or liability of property for taxation and 3658
if such person is not a party to the appeal, the taxpayer or other 3659
person to whom notice of the tax assessment, valuation, 3660
determination, finding, computation, or order, or correction or 3661
redetermination thereof, by the tax commissioner was by law 3662
required to be given, the director of budget and management, if 3663
the revenues affected by such decision would accrue primarily to 3664
the state treasury, and the county auditors of the counties to the 3665
undivided general tax funds of which the revenues affected by such 3666
decision would primarily accrue. 3667

(D) In the case of an appeal from a ~~municipal~~ decision of a 3668
local board of ~~appeal~~ tax review created under section 718.11 of 3669
the Revised Code, the order of the board of tax appeals and the 3670
date of the entry thereof upon the board's journal shall be sent 3671
by the board to all persons who were parties to the appeal before 3672
the board. 3673

(E) In the case of all other appeals or applications filed 3674
with and determined by the board, the board's order and the date 3675
when the order was filed by the secretary for journalization shall 3676
be sent by the board to the person who is a party to such appeal 3677
or application, to such persons as the law requires, and to such 3678
other persons as the board deems proper. 3679

(F) The orders of the board may affirm, reverse, vacate, 3680
modify, or remand the tax assessments, valuations, determinations, 3681
findings, computations, or orders complained of in the appeals 3682

determined by the board, and the board's decision shall become 3683
final and conclusive for the current year unless reversed, 3684
vacated, or modified as provided in section 5717.04 of the Revised 3685
Code. When an order of the board becomes final the tax 3686
commissioner and all officers to whom such decision has been sent 3687
shall make the changes in their tax lists or other records which 3688
the decision requires. 3689

(G) If the board finds that issues not raised on the appeal 3690
are important to a determination of a controversy, the board may 3691
remand the cause for an administrative determination and the 3692
issuance of a new tax assessment, valuation, determination, 3693
finding, computation, or order, unless the parties stipulate to 3694
the determination of such other issues without remand. An order 3695
remanding the cause is a final order. If the order relates to any 3696
issue other than a municipal income tax matter appealed under 3697
sections 718.11 and 5717.011 of the Revised Code, the order may be 3698
appealed to the court of appeals in Franklin county. If the order 3699
relates to a municipal income tax matter appealed under sections 3700
718.11 and 5717.011 of the Revised Code, the order may be appealed 3701
to the court of appeals for the county in which the municipal 3702
corporation in which the dispute arose is primarily situated. 3703

(H) At the request of any person that filed an appeal subject 3704
to this section, the decision or order of the board of tax appeals 3705
issued pursuant to division (B), (C), (D), or (E) of this section 3706
shall be sent by certified mail at the requestor's expense. 3707

Sec. 5739.12. (A)(1) Each person who has or is required to 3708
have a vendor's license, on or before the twenty-third day of each 3709
month, shall make and file a return for the preceding month in the 3710
form prescribed by the tax commissioner, and shall pay the tax 3711
shown on the return to be due. The return shall be filed 3712
electronically using the Ohio business gateway, as defined in 3713

section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile 3714
system, or any other electronic means prescribed by the 3715
commissioner. Payment of the tax shown on the return to be due 3716
shall be made electronically in a manner approved by the 3717
commissioner. The commissioner may require a vendor that operates 3718
from multiple locations or has multiple vendor's licenses to 3719
report all tax liabilities on one consolidated return. The return 3720
shall show the amount of tax due from the vendor to the state for 3721
the period covered by the return and such other information as the 3722
commissioner deems necessary for the proper administration of this 3723
chapter. The commissioner may extend the time for making and 3724
filing returns and paying the tax, and may require that the return 3725
for the last month of any annual or semiannual period, as 3726
determined by the commissioner, be a reconciliation return 3727
detailing the vendor's sales activity for the preceding annual or 3728
semiannual period. The reconciliation return shall be filed by the 3729
last day of the month following the last month of the annual or 3730
semiannual period. The commissioner may remit all or any part of 3731
amounts or penalties that may become due under this chapter and 3732
may adopt rules relating thereto. Such return shall be filed 3733
electronically as directed by the tax commissioner, and payment of 3734
the amount of tax shown to be due thereon, after deduction of any 3735
discount provided for under this section, shall be made 3736
electronically in a manner approved by the tax commissioner. 3737

(2) Any person required to file returns and make payments 3738
electronically under division (A)(1) of this section may apply to 3739
the tax commissioner on a form prescribed by the commissioner to 3740
be excused from that requirement. For good cause shown, the 3741
commissioner may excuse the person from that requirement and may 3742
permit the person to file the returns and make the payments 3743
required by this section by nonelectronic means. 3744

(B)(1) If the return is filed and the amount of tax shown 3745

thereon to be due is paid on or before the date such return is 3746
required to be filed, the vendor shall be entitled to a discount 3747
of three-fourths of one per cent of the amount shown to be due on 3748
the return. 3749

(2) A vendor that has selected a certified service provider 3750
as its agent shall not be entitled to the discount if the 3751
certified service provider receives a monetary allowance pursuant 3752
to section 5739.06 of the Revised Code for performing the vendor's 3753
sales and use tax functions in this state. Amounts paid to the 3754
clerk of courts pursuant to section 4505.06 of the Revised Code 3755
shall be subject to the applicable discount. The discount shall be 3756
in consideration for prompt payment to the clerk of courts and for 3757
other services performed by the vendor in the collection of the 3758
tax. 3759

(C)(1) Upon application to the tax commissioner, a vendor who 3760
is required to file monthly returns may be relieved of the 3761
requirement to report and pay the actual tax due, provided that 3762
the vendor agrees to remit to the commissioner payment of not less 3763
than an amount determined by the commissioner to be the average 3764
monthly tax liability of the vendor, based upon a review of the 3765
returns or other information pertaining to such vendor for a 3766
period of not less than six months nor more than two years 3767
immediately preceding the filing of the application. Vendors who 3768
agree to the above conditions shall make and file an annual or 3769
semiannual reconciliation return, as prescribed by the 3770
commissioner. The reconciliation return shall be filed 3771
electronically as directed by the tax commissioner, and payment of 3772
the amount of tax shown to be due thereon, after deduction of any 3773
discount provided in this section, shall be made electronically in 3774
a manner approved by the commissioner. Failure of a vendor to 3775
comply with any of the above conditions may result in immediate 3776
reinstatement of the requirement of reporting and paying the 3777

actual tax liability on each monthly return, and the commissioner 3778
may at the commissioner's discretion deny the vendor the right to 3779
report and pay based upon the average monthly liability for a 3780
period not to exceed two years. The amount ascertained by the 3781
commissioner to be the average monthly tax liability of a vendor 3782
may be adjusted, based upon a review of the returns or other 3783
information pertaining to the vendor for a period of not less than 3784
six months nor more than two years preceding such adjustment. 3785

(2) The commissioner may authorize vendors whose tax 3786
liability is not such as to merit monthly returns, as ascertained 3787
by the commissioner upon the basis of administrative costs to the 3788
state, to make and file returns at less frequent intervals. When 3789
returns are filed at less frequent intervals in accordance with 3790
such authorization, the vendor shall be allowed the discount 3791
provided in this section in consideration for prompt payment with 3792
the return, provided the return is filed and payment is made of 3793
the amount of tax shown to be due thereon, at the time specified 3794
by the commissioner, but a vendor that has selected a certified 3795
service provider as its agent shall not be entitled to the 3796
discount. 3797

(D) Any vendor who fails to file a return or to pay the full 3798
amount of the tax shown on the return to be due in the manner 3799
prescribed under this section and the rules of the commissioner 3800
may, for each such return, be required to forfeit and pay into the 3801
state treasury an additional charge not exceeding fifty dollars or 3802
ten per cent of the tax required to be paid for the reporting 3803
period, whichever is greater, as revenue arising from the tax 3804
imposed by this chapter, and such sum may be collected by 3805
assessment in the manner provided in section 5739.13 of the 3806
Revised Code. The commissioner may remit all or a portion of the 3807
additional charge and may adopt rules relating to the imposition 3808
and remission of the additional charge. 3809

(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 ~~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 3841
the tax, in lieu of the manner prescribed under section 5739.032 3842
of the Revised Code. 3843

(B) A person required under this section to file reports and 3844
returns electronically may apply to the tax commissioner to be 3845
excused from that requirement. Applications shall be made on a 3846
form prescribed by the commissioner. The commissioner may approve 3847
the application for good cause. 3848

(C)(1) If a person required to file a report or return 3849
electronically under this section fails to do so, the tax 3850
commissioner may impose an additional charge not to exceed the 3851
following: 3852

(a) For each of the first two failures, five per cent of the 3853
amount required to be reported on the report or return; 3854

(b) For the third and any subsequent failure, ten per cent of 3855
the amount required to be reported on the report or return. 3856

(2) The charges authorized under division (C)(1) of this 3857
section are in addition to any other charge or penalty authorized 3858
under this chapter, and shall be considered as revenue arising 3859
from taxes imposed under this chapter. An additional charge may be 3860
collected by assessment in the manner prescribed by section 3861
5739.13 of the Revised Code. The commissioner may waive all or a 3862
portion of such a charge and may adopt rules governing such 3863
waiver. 3864

Sec. 5741.122. (A) If required by the tax commissioner, a 3865
person required to make payments under section 5741.121 of the 3866
Revised Code shall file all returns and reports electronically. 3867
The commissioner may require the person to use the Ohio business 3868
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 3869
or any other electronic means approved by the commissioner, to 3870

file the returns and reports, or to remit the tax, in lieu of the 3871
manner prescribed under section 5741.121 of the Revised Code. 3872

(B) A person required under this section to file reports and 3873
returns electronically may apply to the tax commissioner to be 3874
excused from that requirement. Applications shall be made on a 3875
form prescribed by the commissioner. The commissioner may approve 3876
the application for good cause. 3877

(C)(1) If a person required to file a report or return 3878
electronically under this section fails to do so, the tax 3879
commissioner may impose an additional charge not to exceed the 3880
following: 3881

(a) For each of the first two failures, five per cent of the 3882
amount required to be reported on the report or return; 3883

(b) For the third and any subsequent failure, ten per cent of 3884
the amount required to be reported on the report or return. 3885

(2) The charges authorized under division (C)(1) of this 3886
section are in addition to any other charge or penalty authorized 3887
under this chapter, and shall be considered as revenue arising 3888
from taxes imposed under this chapter. An additional charge may be 3889
collected by assessment in the manner prescribed by section 3890
5741.13 of the Revised Code. The commissioner may waive all or a 3891
portion of such a charge and may adopt rules governing such 3892
waiver. 3893

Sec. 5747.063. (A)(1) If a person's winnings at a casino 3894
facility are an amount for which reporting to the internal revenue 3895
service of the amount is required by section 6041 of the Internal 3896
Revenue Code, as amended, the casino operator shall deduct and 3897
withhold Ohio income tax from the person's winnings at a rate of 3898
four per cent of the amount won ~~and shall deduct and withhold~~ 3899
~~municipal income tax from the person's winnings at the rate of tax~~ 3900

~~of the municipal corporation in which the casino facility is~~ 3901
~~located.~~ A person's amount of winnings shall be determined each 3902
time the person exchanges amounts won in tokens, chips, casino 3903
credit, or other prepaid representations of value for cash or a 3904
cash equivalent. The casino operator shall issue, to a person from 3905
whose winnings an amount has been deducted and withheld, a receipt 3906
for the amount deducted and withheld, and also shall obtain from 3907
the person additional information that will be necessary for the 3908
casino operator to prepare the returns required by this section. 3909

(2) If a person's winnings at a casino facility require 3910
reporting to the internal revenue service under division (A)(1) of 3911
this section, the casino operator also shall require the person to 3912
state in writing, under penalty of falsification, whether the 3913
person is in default under a support order. 3914

(B) Amounts deducted and withheld by a casino operator are 3915
held in trust for the benefit of the state ~~and municipal~~ 3916
~~corporations, as applicable.~~ 3917

(1) On or before the tenth day of each month, the casino 3918
operator shall file a return electronically with the tax 3919
commissioner ~~and the tax administrator of the municipal~~ 3920
~~corporation, as applicable,~~ identifying the persons from whose 3921
winnings amounts were deducted and withheld, the amount of each 3922
such deduction and withholding during the preceding calendar 3923
month, the amount of the winnings from which each such amount was 3924
withheld, the type of casino gaming that resulted in such 3925
winnings, and any other information required by the tax 3926
commissioner. With the return, the casino operator shall remit 3927
electronically to the commissioner ~~and the tax administrator of~~ 3928
~~the municipal corporation, as applicable,~~ all the amounts deducted 3929
and withheld during the preceding month. 3930

(2)(a) A casino operator shall maintain a record of each 3931

written statement provided under division (A)(2) of this section 3932
in which a person admits to being in default under a support 3933
order. The casino operator shall make these records available to 3934
the director of job and family services upon request. 3935

(b) A casino operator shall maintain copies of receipts 3936
issued under division (A)(1) of this section and of written 3937
statements provided under division (A)(2) of this section and 3938
shall make these copies available to the tax commissioner upon 3939
request. 3940

(c) A casino operator shall maintain the information 3941
described in divisions (B)(2)(a) and (b) of this section in 3942
accordance with section 5747.17 of the Revised Code and any rules 3943
adopted pursuant thereto. 3944

(3) Annually, on or before the thirty-first day of January, a 3945
casino operator shall file an annual return electronically with 3946
the tax commissioner ~~and the tax administrator of the municipal~~ 3947
~~corporation, as applicable,~~ indicating the total amount deducted 3948
and withheld during the preceding calendar year. The casino 3949
operator shall remit electronically with the annual return any 3950
amount that was deducted and withheld and that was not previously 3951
remitted. If the identity of a person and the amount deducted and 3952
withheld with respect to that person were omitted on a monthly 3953
return, that information shall be indicated on the annual return. 3954

(4)(a) A casino operator who fails to file a return and remit 3955
the amounts deducted and withheld is personally liable for the 3956
amount deducted and withheld and not remitted. The commissioner 3957
~~and the tax administrator of the municipal corporation, as~~ 3958
~~applicable,~~ may impose a penalty up to one thousand dollars if a 3959
return is filed late, if amounts deducted and withheld are 3960
remitted late, if a return is not filed, or if amounts deducted 3961
and withheld are not remitted. Interest accrues on past due 3962
amounts deducted and withheld at the rate prescribed in section 3963

5703.47 of the Revised Code. The commissioner ~~and the tax~~ 3964
~~administrator of the municipal corporation, as applicable,~~ may 3965
collect past due amounts deducted and withheld and penalties and 3966
interest thereon by assessment under section 5747.13 of the 3967
Revised Code as if they were income taxes collected by an 3968
employer. 3969

(b) If a casino operator sells the casino facility or 3970
otherwise quits the casino business, the amounts deducted and 3971
withheld and any penalties and interest thereon are immediately 3972
due and payable. The successor shall withhold an amount of the 3973
purchase money that is sufficient to cover the amounts deducted 3974
and withheld and penalties and interest thereon until the 3975
predecessor casino operator produces either a receipt from the 3976
commissioner ~~and the tax administrator of the municipal~~ 3977
~~corporation, as applicable,~~ showing that the amounts deducted and 3978
withheld and penalties and interest thereon have been paid or a 3979
certificate from the commissioner ~~and the tax administrator of the~~ 3980
~~municipal corporation, as applicable,~~ indicating that no amounts 3981
deducted and withheld or penalties and interest thereon are due. 3982
If the successor fails to withhold purchase money, the successor 3983
is personally liable for payment of the amounts deducted and 3984
withheld and penalties and interest thereon, up to the amount of 3985
the purchase money. 3986

(C)(1) Annually, on or before the thirty-first day of 3987
January, a casino operator shall issue an information return to 3988
each person with respect to whom an amount has been deducted and 3989
withheld during the preceding calendar year. The information 3990
return shall show the total amount deducted from the person's 3991
winnings by the casino operator during the preceding calendar 3992
year. 3993

(2) Annually, on or before the thirty-first day of January, a 3994
casino operator shall provide to the commissioner a copy of each 3995

information return issued under division (C)(1) of this section 3996
for the preceding calendar year. The commissioner may require that 3997
the copies be transmitted electronically. 3998

(D) Amounts deducted and withheld shall be allowed as a 3999
credit against payment of the tax imposed by section 5747.02 of 4000
the Revised Code and shall be treated as taxes paid for purposes 4001
of section 5747.09 of the Revised Code. This division applies only 4002
to the person for whom the amount is deducted and withheld. 4003

(E) The failure of a casino operator to deduct and withhold 4004
the required amount from a person's winnings does not relieve the 4005
person from liability for the tax imposed by section 5747.02 of 4006
the Revised Code with respect to those winnings. And compliance 4007
with this section does not relieve a casino operator or a person 4008
who has winnings at a casino facility from compliance with 4009
relevant provisions of federal tax laws. 4010

(F) ~~The commissioner and the tax administrator of the~~ 4011
~~municipal corporation, as applicable,~~ shall prescribe the form of 4012
the receipt and returns required by this section. The director of 4013
job and family services shall prescribe the form of the statement 4014
required by this section. 4015

(G) The requirements imposed under this section are in 4016
addition to the municipal income tax withholding requirements 4017
under section 718.031 of the Revised Code. 4018

(H) The commissioner may adopt rules that are necessary to 4019
administer this section. 4020

Sec. 5747.064. (A) As used in this section, "video lottery 4021
terminal" has the same meaning as in section 3770.21 of the 4022
Revised Code. 4023

(B) If a person's prize award from a video lottery terminal 4024
is an amount for which reporting to the internal revenue service 4025

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 4058
section 5747.17 of the Revised Code and any rules adopted pursuant 4059
thereto. 4060

(3) Annually, on or before the thirty-first day of January, a 4061
lottery sales agent shall file an annual return electronically 4062
with the tax commissioner ~~and the tax administrator of the~~ 4063
~~municipal corporation, as applicable,~~ indicating the total amount 4064
deducted and withheld during the preceding calendar year. The 4065
lottery sales agent shall remit electronically with the annual 4066
return any amount that was deducted and withheld and that was not 4067
previously remitted. If the identity of a person and the amount 4068
deducted and withheld with respect to that person were omitted on 4069
a monthly return, that information shall be indicated on the 4070
annual return. 4071

(4)(a) A lottery sales agent who fails to file a return and 4072
remit the amounts deducted and withheld is personally liable for 4073
the amount deducted and withheld and not remitted. The 4074
commissioner ~~and the tax administrator of the municipal~~ 4075
~~corporation, as applicable,~~ may impose a penalty of up to one 4076
thousand dollars if a return is filed late, if amounts deducted 4077
and withheld are remitted late, if a return is not filed, or if 4078
amounts deducted and withheld are not remitted. Interest accrues 4079
on past due amounts deducted and withheld at the rate prescribed 4080
in section 5703.47 of the Revised Code. The commissioner ~~and the~~ 4081
~~tax administrator of the municipal corporation, as applicable,~~ may 4082
collect past due amounts deducted and withheld and penalties and 4083
interest thereon by assessment under section 5747.13 of the 4084
Revised Code as if they were income taxes collected by an 4085
employer. 4086

(b) If a lottery sales agent ceases to operate video lottery 4087
terminals, the amounts deducted and withheld and any penalties and 4088
interest thereon are immediately due and payable. A successor of 4089

the lottery sales agent that purchases the video lottery terminals 4090
from the agent shall withhold an amount of the purchase money that 4091
is sufficient to cover the amounts deducted and withheld and 4092
penalties and interest thereon until the predecessor lottery sales 4093
agent produces either a receipt from the tax commissioner ~~and the~~ 4094
~~tax administrator of the municipal corporation, as applicable,~~ 4095
showing that the amounts deducted and withheld and penalties and 4096
interest thereon have been paid or a certificate from the 4097
commissioner ~~and the tax administrator of the municipal~~ 4098
~~corporation, as applicable,~~ indicating that no amounts deducted 4099
and withheld or penalties and interest thereon are due. If the 4100
successor fails to withhold purchase money, the successor is 4101
personally liable for payment of the amounts deducted and withheld 4102
and penalties and interest thereon, up to the amount of the 4103
purchase money. 4104

(D)(1) Annually, on or before the thirty-first day of 4105
January, a lottery sales agent shall issue an information return 4106
to each person with respect to whom an amount has been deducted 4107
and withheld during the preceding calendar year. The information 4108
return shall show the total amount deducted from the person's 4109
prize award by the lottery sales agent during the preceding year. 4110

(2) Annually, on or before the thirty-first day of January, a 4111
lottery sales agent shall provide to the tax commissioner ~~and the~~ 4112
~~tax administrator of the municipal corporation, as applicable,~~ a 4113
copy of each information return issued under division (D)(1) of 4114
this section for the preceding calendar year. The commissioner ~~and~~ 4115
~~the tax administrator of the municipal corporation, as applicable,~~ 4116
may require that such copies be transmitted electronically. 4117

(E) Amounts deducted and withheld shall be allowed as a 4118
credit against payment of the tax imposed by section 5747.02 of 4119
the Revised Code and shall be treated as taxes paid for purposes 4120
of section 5747.09 of the Revised Code. This division applies only 4121

to the person for whom the amount is deducted and withheld. 4122

(F) The failure of a lottery sales agent to deduct and 4123
withhold the required amount from a person's prize award does not 4124
relieve the person from liability for the tax imposed by section 4125
5747.02 of the Revised Code with respect to that income. 4126
Compliance with this section does not relieve a lottery sales 4127
agent or a person who has a prize award from compliance with 4128
relevant provisions of federal tax laws. 4129

(G) The commissioner ~~and the tax administrator of the~~ 4130
~~municipal corporation, as applicable,~~ shall prescribe the form of 4131
the receipt and returns required by this section and ~~the~~ 4132
~~commissioner~~ may promulgate any rules necessary to administer the 4133
section. 4134

(H) The requirements imposed under this section are in 4135
addition to the municipal income tax withholding requirements 4136
under section 718.031 of the Revised Code. 4137

Sec. 5747.50. (A) As used in this section: 4138

(1) "County's proportionate share of the calendar year 2007 4139
LGF and LGRAF distributions" means the percentage computed for the 4140
county under division (B)(1)(a) of section 5747.501 of the Revised 4141
Code. 4142

(2) "County's proportionate share of the total amount of the 4143
local government fund additional revenue formula" means each 4144
county's proportionate share of the state's population as 4145
determined for and certified to the county for distributions to be 4146
made during the current calendar year under division (B)(2)(a) of 4147
section 5747.501 of the Revised Code. If prior to the first day of 4148
January of the current calendar year the federal government has 4149
issued a revision to the population figures reflected in the 4150
estimate produced pursuant to division (B)(2)(a) of section 4151

5747.501 of the Revised Code, such revised population figures 4152
shall be used for making the distributions during the current 4153
calendar year. 4154

(3) "2007 LGF and LGRAF county distribution base available in 4155
that month" means the lesser of the amounts described in division 4156
(A)(3)(a) and (b) of this section, provided that the amount shall 4157
not be less than zero: 4158

(a) The total amount available for distribution to counties 4159
from the local government fund during the current month. 4160

(b) The total amount distributed to counties from the local 4161
government fund and the local government revenue assistance fund 4162
to counties in calendar year 2007 less the total amount 4163
distributed to counties under division (B)(1) of this section 4164
during previous months of the current calendar year. 4165

(4) "Local government fund additional revenue distribution 4166
base available during that month" means the total amount available 4167
for distribution to counties during the month from the local 4168
government fund, less any amounts to be distributed in that month 4169
from the local government fund under division (B)(1) of this 4170
section, provided that the local government fund additional 4171
revenue distribution base available during that month shall not be 4172
less than zero. 4173

(5) "Total amount available for distribution to counties" 4174
means the total amount available for distribution from the local 4175
government fund during the current month less the total amount 4176
available for distribution to municipal corporations during the 4177
current month under division (C) of this section. 4178

(B) On or before the tenth day of each month, the tax 4179
commissioner shall provide for payment to each county an amount 4180
equal to the sum of: 4181

(1) The county's proportionate share of the calendar year 4182

2007 LGF and LGRAF distributions multiplied by the 2007 LGF and 4183
LGRAF county distribution base available in that month, provided 4184
that if the 2007 LGF and LGRAF county distribution base available 4185
in that month is zero, no payment shall be made under division 4186
(B)(1) of this section for the month or the remainder of the 4187
calendar year; and 4188

(2) The county's proportionate share of the total amount of 4189
the local government fund additional revenue formula multiplied by 4190
the local government fund additional revenue distribution base 4191
available during that month. 4192

Money received into the treasury of a county under this 4193
division shall be credited to the undivided local government fund 4194
in the treasury of the county on or before the fifteenth day of 4195
each month. On or before the twentieth day of each month, the 4196
county auditor shall issue warrants against all of the undivided 4197
local government fund in the county treasury in the respective 4198
amounts allowed as provided in section 5747.51 of the Revised 4199
Code, and the treasurer shall distribute and pay such sums to the 4200
subdivision therein. 4201

(C)(1) As used in division (C) of this section: 4202

(a) "Total amount available for distribution to 4203
municipalities during the current month" means the product 4204
obtained by multiplying the total amount available for 4205
distribution from the local government fund during the current 4206
month by the aggregate municipal share. 4207

(b) "Aggregate municipal share" means the quotient obtained 4208
by dividing the total amount distributed directly from the local 4209
government fund to municipal corporations during calendar year 4210
2007 by the total distributions from the local government fund and 4211
local government revenue assistance fund during calendar year 4212
2007. 4213

(2) On or before the tenth day of each month, the tax commissioner shall provide for payment from the local government fund to each municipal corporation an amount equal to the product derived by multiplying the municipal corporation's percentage of the total amount distributed to all such municipal corporations under this division during calendar year 2007 by the total amount available for distribution to municipal corporations during the current month.

(3) Payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose.

(4) The amount distributed to municipal corporations under this division during any calendar year shall not exceed the amount distributed directly from the local government fund to municipal corporations during calendar year 2007. If that maximum amount is reached during any month, distributions to municipal corporations in that month shall be as provided in divisions (C)(1) and (2) of this section, but no further distributions shall be made to municipal corporations under division (C) of this section during the remainder of the calendar year.

(5) Upon being informed of a municipal corporation's dissolution, the tax commissioner shall cease providing for payments to that municipal corporation under division (C) of this section. The proportionate shares of the total amount available for distribution to each of the remaining municipal corporations under this division shall be increased on a pro rata basis.

(D) Each municipal corporation which has in effect a tax imposed under Chapter 718. of the Revised Code shall, no later than the thirty-first day of August of each year, certify to the tax commissioner, on a form prescribed by the commissioner, the ~~total~~ amount of income ~~taxes~~ tax revenue collected and refunded by such municipal corporation pursuant to such chapter during the

preceding calendar year, arranged by the type of income from which 4246
the revenue was collected or the refund was issued. The municipal 4247
corporation shall also report the amount of income tax revenue 4248
collected and refunded on behalf of a joint economic development 4249
district or a joint economic development zone that levies an 4250
income tax administered by the municipal corporation and the 4251
amount of such revenue distributed to contracting parties, during 4252
the preceding calendar year. The tax commissioner may withhold 4253
payment of local government fund moneys pursuant to division (C) 4254
of this section from any municipal corporation for failure to 4255
comply with this reporting requirement. 4256

Sec. 5751.07. (A) Any person required to file returns under 4257
this chapter shall remit each tax payment, and, if required by the 4258
tax commissioner, file the tax return or the annual report, 4259
electronically. The commissioner may require taxpayers to use the 4260
Ohio business gateway as defined in section ~~718.051~~ 718.01 of the 4261
Revised Code to file returns and remit the tax, or may provide 4262
another means for taxpayers to file and remit the tax 4263
electronically. 4264

(B) A person required by this section to remit taxes or file 4265
returns electronically may apply to the tax commissioner, on the 4266
form prescribed by the commissioner, to be excused from that 4267
requirement. The commissioner may excuse a person from the 4268
requirements of this division for good cause. 4269

(C)(1) If a person required to remit taxes or file a return 4270
electronically under this section fails to do so, the commissioner 4271
may impose a penalty not to exceed the following: 4272

(a) For either of the first two tax periods the person so 4273
fails, the greater of twenty-five dollars or five per cent of the 4274
amount of the payment that was required to be remitted; 4275

(b) For the third and any subsequent tax periods the person 4276

so fails, the greater of fifty dollars or ten per cent of the 4277
amount of the payment that was required to be remitted. 4278

(2) The penalty imposed under division (C)(1) of this section 4279
is in addition to any other penalty imposed under this chapter and 4280
shall be considered as revenue arising from the tax imposed under 4281
this chapter. A penalty may be collected by assessment in the 4282
manner prescribed by section 5751.09 of the Revised Code. The tax 4283
commissioner may abate all or a portion of such a penalty. 4284

(D) The tax commissioner may adopt rules necessary to 4285
administer this section. 4286

Section 3. That the version of section 5703.02 of the Revised 4287
Code that is scheduled to take effect January 1, 2015, be amended 4288
to read as follows: 4289

Sec. 5703.02. There is hereby created the board of tax 4290
appeals, which shall exercise the following powers and perform the 4291
following duties: 4292

(A) Exercise the authority provided by law to hear and 4293
determine all appeals of questions of law and fact arising under 4294
the tax laws of this state in appeals from decisions, orders, 4295
determinations, or actions of any tax administrative agency 4296
established by the law of this state, including but not limited to 4297
appeals from: 4298

(1) Actions of county budget commissions; 4299

(2) Decisions of county boards of revision; 4300

(3) Actions of any assessing officer or other public official 4301
under the tax laws of this state; 4302

(4) Final determinations by the tax commissioner of any 4303
preliminary, amended, or final tax assessments, reassessments, 4304
valuations, determinations, findings, computations, or orders made 4305

by the tax commissioner; 4306

(5) Adoption and promulgation of rules of the tax 4307
commissioner. 4308

(B) Appoint a secretary of the board of tax appeals, who 4309
shall serve in the unclassified civil service at the pleasure of 4310
the board, and any other employees as are necessary in the 4311
exercise of the powers and the performance of the duties and 4312
functions that the board is by law authorized and required to 4313
exercise, and prescribe the duties of all employees, and to fix 4314
their compensation as provided by law; 4315

(C) Maintain a journal, which shall be open to public 4316
inspection and in which the secretary shall keep a record of all 4317
of the proceedings and the vote of each of its members upon every 4318
action taken by it; 4319

(D) Adopt and promulgate, in the manner provided by section 4320
5703.14 of the Revised Code, and enforce all rules relating to the 4321
procedure of the board in hearing appeals it has the authority or 4322
duty to hear, and to the procedure of officers or employees whom 4323
the board may appoint; provided that section 5703.13 of the 4324
Revised Code shall apply to and govern the procedure of the board. 4325
Such rules shall include, but need not be limited to, the 4326
following: 4327

(1) Rules governing the creation and implementation of a 4328
mediation program, including procedures for requesting, requiring 4329
participation in, objecting to, and conducting a mediation; 4330

(2) Rules requiring the tax commissioner, county boards of 4331
revision, and ~~municipal~~ local boards of ~~appeal~~ tax review created 4332
under section 718.11 of the Revised Code to electronically file 4333
any transcript required to be filed with the board of tax appeals, 4334
and instructions and procedures for the electronic filing of such 4335
transcripts. 4336

(3) Rules establishing procedures to control and manage 4337
appeals filed with the board. The procedures shall include, but 4338
not be limited to, the establishment of a case management schedule 4339
that shall include expected dates related to discovery deadlines, 4340
disclosure of evidence, pre-hearing motions, and the hearing, and 4341
other case management issues considered appropriate. 4342

Section 4. That the existing version of section 5703.02 of 4343
the Revised Code that is scheduled to take effect January 1, 2015, 4344
is hereby repealed. 4345

Section 5. This act applies to municipal taxable years 4346
beginning on or after January 1, 2015. For municipal taxable years 4347
beginning before January 1, 2015, tax administrators may continue 4348
to administer, audit, and enforce the income tax of a municipal 4349
corporation under Chapter 718. and ordinances and resolutions of 4350
the municipal corporation as that chapter and those ordinances and 4351
resolutions existed before January 1, 2015. 4352

Section 6. (A) There is hereby created the Municipal Income 4353
Tax Net Operating Loss Review Committee for the purpose of 4354
evaluating and quantifying the potential fiscal impact to 4355
municipal corporations levying an income tax requiring such 4356
municipal corporations to allow taxpayers to carry forward net 4357
operating losses for five years. The Committee is a public body 4358
for the purposes of section 121.22 of the Revised Code. 4359

(B) The Committee shall be composed of the following members: 4360

(1) Two members of the House of Representatives who are not 4361
of the same political party, appointed by the Speaker of the House 4362
of Representatives; 4363

(2) Two members of the Senate who are not of the same 4364
political party, appointed by the President of the Senate; 4365

(3) Three members representing municipal income taxpayers, 4366

appointed by the Speaker of the House of Representatives; 4367

(4) Three members representing municipal corporations that 4368
levy an income tax in calendar year 2015, appointed by the 4369
President of the Senate; 4370

(5) One member appointed by the Governor, who shall serve as 4371
the chairperson of the Committee. 4372

The appointing authorities shall appoint members of the 4373
Committee not later than March 1, 2014. An appointed member shall 4374
serve until the member resigns or is removed by the member's 4375
appointing authority. Vacancies shall be filled in the same manner 4376
as original appointments. A vacancy on the committee does not 4377
impair the right of the other members to exercise all the 4378
functions of the Committee. 4379

The Committee shall meet for the first time on or before 4380
March 1, 2014. Thereafter, the Committee shall meet at the call of 4381
the chairperson. The presence of a majority of the members of the 4382
Committee constitutes a quorum for the conduct of business of the 4383
Committee. The concurrence of at least a majority of the members 4384
of the Committee is necessary to approve the report issued by the 4385
Committee under division (E) of this section. Members of the 4386
Committee shall not be compensated or reimbursed for members' 4387
expenses. 4388

(C) On or before July 1, 2014, the Committee shall prescribe 4389
a method that municipal corporations shall use to estimate the 4390
difference between the municipal corporation's actual or projected 4391
municipal income tax revenue in 2012, 2013, 2014, 2015, 2016, 4392
2017, and 2018 and the actual or projected municipal income tax 4393
revenue that would have resulted in each of those years if the 4394
municipal corporation allowed net operating loss to be carried 4395
forward for five years for losses incurred in 2011, 2012, and 4396
2013. 4397

(D) On or before December 31, 2014, each municipal 4398
corporation that levies an income tax in 2011, 2012, or 2013 shall 4399
report to the Municipal Income Tax Net Operating Loss Review 4400
Committee the difference between the municipal corporation's 4401
actual or projected municipal income tax revenue in 2012, 2013, 4402
2014, 2015, 2016, 2017, and 2018 and the actual or projected 4403
municipal income tax revenue that would have resulted in each of 4404
those years if the municipal corporation allowed net operating 4405
loss to be carried forward for five years for losses incurred in 4406
2011, 2012, and 2013, as estimated by the method prescribed by the 4407
Committee under division (C) of this section. 4408

(E) If the Municipal Income Tax Net Operating Loss Review 4409
Committee receives reports from a representative sample, then the 4410
Committee shall review the information reported by municipal 4411
corporations under division (D) of this section and calculate the 4412
total of the revenue effects reported by such municipal 4413
corporations. On or before May 1, 2015, the Committee shall issue 4414
a written report to the Speaker and Minority Leader of the House 4415
of Representatives and the President and Minority Leader of the 4416
Senate reporting the Committee's findings and estimated revenue 4417
impact of requiring municipal corporations levying an income tax 4418
to allow net operating loss to be carried forward for five years. 4419

(F) Nothing in this section delays or otherwise affects the 4420
taxable years to which division (E)(8) of section 718.01 of the 4421
Revised Code, as enacted by this act, apply as prescribed in that 4422
division. 4423

(G) The Municipal Income Tax Net Operating Loss Review 4424
Committee shall cease to exist on May 1, 2015. 4425

(H) As used in this section, "representative sample" includes 4426
the cities of Cleveland and Columbus, five cities or villages with 4427
a higher ratio of business taxpayers to resident individual 4428
taxpayers relative to the state average, and five cities or 4429

villages with a higher ratio of resident individual taxpayers to	4430
business taxpayers relative to the state average.	4431