

227, 233, 254, 529, 851, 853, 855, 859, 861	<b>OMNIBUS</b> correction, changed "2015" to "2016"	
238	<b>OMNIBUS</b> Correction - adds "and increased by deductions excluded" after the word "exempted".	
260	<b>OMNIBUS</b> Tech correction, changed "reported" to "reportable"	
276 - 280	Offsets of Pass thru entity losses against net profit income of the resident	Revenue loss
280	<b>OMNIBUS</b> - Allows any net operating loss of a residnet can be allowed as a deduction against distributive shaare of any net profit attributable to ownership interest in a PTE generated during the same year. (plus other tech corrections)	Revenue loss
280	<b>OMNIBUS</b> - Provides that the above offset does not apply to any net profit or NOL attributable to an ownership interest in an S Corp unless the shareholders' distributive shares of the net profits from the S Corp are subject to the municipal tax in the corporation.	Revenue loss (for corp where S Corp taxed at resident / owner level)
311	Exemption of "pension payments <b>and benefits</b> " would allow a deduction for SERP	Revenue loss
311	<b>OMNIBUS</b> - Changes "pension payments and benefits" to "pensions" (changes above language)	May clarify SERP issue (pending review)
408	<b>OMNIBUS</b> Tech correction- Delete "nineteen" and insert "eighteen"	
409 - 413	Exempts the income of nonresident employees who work in your community if the employer has less than \$500,000 in wages (and is not withheld), and for first 20 days not withheld for principal place of work.	Revenue loss. (20 day rule)
418 - 421	If employer chooses to withhold for place of work for first 20 days, wages are not exempt.	Revenue loss (if employer does not opt to withhold)
422 - 435	Wages are not exempt if the employer chooses to withhold for principal place of work, and the employee receives a refund for not working or living in muni corp	Revenue loss (no way to identify who received refund unless cities notify each other)
438 - 442	<b>OMNIBUS</b> Clarification- After "corporation", insert "as a member of the board of directors of a corporation". This exempts Board of Director fees. Strike 439-442 after the period in 439.	Revenue loss

436 - 442	"Compensation that is not qualifying wages paid to a nonresident individual....." This section is an attempt to exempt possibly Director's Fees, nonemployee compensation, self employment. Language is not clear. IRC defines "compensation" as \$ paid for services rendered as an employee.	Revenue loss (no way to identify what type of income is attempted to being exempted by this section.) NOTE: Clarified with OMNIBUS language (line 438).
497	<b>OMNIBUS</b> Tech correction, after "from" insert "a transfer agreement or from"	
500 - 548	NOL - 5 year, with 50% phase in taxable years 2017, 2018, 2019, 2020, 2021. Full offset for individuals would occur in 2016, and limits NOL carryforward for each of the five years to 50% for individuals and businesses for taxable years 2017, 2018, 2019, 2020, 2021.	Revenue loss for any municipality with zero or less than 5 year NOL. Revenue loss for JEDD and JEDZ with zero or less than 5 year NOL.
625	Removed language stating that "person" does not include a grantor trust.	
627, 629	<b>OMIBUS</b> Tech correction - Clarified "C" corporation	
666	<b>OMIBUS</b> Tech correction - After 666, insert "e. Any amount that is exempt income"	
748 - 750	<b>OMNIBUS</b> Tech corrections, and delete "that" and insert "if the company, subsidiary, or other entity"	
766 - 769	"net operating loss" definition includes unutilized losses from basis limitations, at-risk limitations, or passive activity loss limitations, resulting in possible double deduction due to timing, or duplication of losses taken.	Revenue loss (fixed with OMIBUS correction below)
767	<b>OMNIBUS</b> - Delete "and includes" and insert "Net operating loss does not include"	Corrects issue directly above.
819 - 836	Added "written finding of tax administrator" as something that would require certified mail; "written finding" is not defined, and could be an assessment or correction notice, resulting in a tremendous increase in postage due to mandatory certified mailings.	Increased administrative cost / burden (See OMNIBUS correction below)
821 - 822	<b>OMNIBUS</b> - Deletes "or written finding of the tax administrator", possibly correcting issues above.	May correct issue above.
954 - 961	20 day rule - removes the requirement for employer to withhold retro back to day one when 20 days is exceeded. Only requires withholding on days subsequent to first 20.	Revenue loss. (20 day rule)
962 - 972	Allows employer to opt to pay tax back to day one (not required) to place where work was performed, election is made on annual tax return. States that tax withheld and paid for first 20 days to principal place of work is refundable to employee. This is not accurate, as employee may live in ppw municipality.	Revenue loss. (No requirement to withhold for first 20 days worked in municipality.)

979	<p>\$500,000 rule (should be based on "taxable year", not preceding "calendar year")  <b>OMNIBUS</b> - Correction made</p>	
20 day rule NOTE	<p>Any reference to the employee being taxed at the location where work is performed, or requiring the employer to report qualifying wages not withheld upon due to the 20 day rule have been removed from this version of the bill. We are no longer able to require the payment of tax on qualifying wages earned in the municipal corporation (by the employee) if there was not withholding done based on principal place of work (and/or the employee requested a refund), or if employer opted to not withhold back to day one. If the employee receives a refund because they did not work or live in the principal place of work, there is no mechanism by which the municipal corporation where work is performed will know that a refund occurred.</p>	Revenue loss
Domicile NOTE 1001 - 1007	<p>Language was changed from Muni Coalition draft where individual would have to demonstrate that tax administrator unreasonably concluded that factors determined domicile, instead allowing taxpayer to show, based on factors described, that preponderance of factors demonstrate their position. Problematic language change, unsure of intent by drafters.</p>	
Domicile NOTE	<p>Removed the definition of "spouse" from Muni draft</p>	
Domicile NOTE	<p>Removed sentence that would have appeared in line 1055 - "A taxpayer's intention to change a domicile will not effect such change unless the taxpayer ceases to reside in the domicile."</p>	
1119	<p><b>OMNIBUS</b> - After "If", insert "it is determined by a preponderance of the evidence that"</p>	
1132 - 1151	<p><b>OMNIBUS</b> - Numerous changes which change some of the statements in the section below, however, still appears to allow taxpayer to use alternative apportionment formula by simply notifying tax administrator, and removes wording "if approved", indicating that the administrator may not have ability to deny.</p>	Administrative burden, potential revenue loss

1135 - 1143	In Muni Coalition bill, taxpayer had to have "prior approval of" tax administrator to use alternative apportionment formula, sub HB 5 now only requires that the taxpayer "notify" the tax administrator before filing the return. Same language change has occurred for timely filed amended returns. While line 1141 says "if approved", there is no method for approval or disapproval of an alternative apportionment method outlined in this section. Language is now conflicting on how / when approval process would occur, and appears that the taxpayer need only "notify" the administrator prior to the filing of the alternative apportionment method.	Administrative burden, potential revenue loss
1475	<b>OMNIBUS</b> - after "year", add "and of all employees from whose qualifying wages tax was not withheld for the municipal corporation during the preceding calendar year as a result of those wages qualifying as exempt under division ©(16) of 718.01", appears to require that the business provides a reconciliation reporting of those individuals who worked in the municipal corporation, but their wages are still exempt from being taxed (and other related technical changes).	
1470 - 1478	Removes requirement for employer to remit information with Reconciliation regarding commissions and other compensation received by individuals.	Administrative burden
1724	<b>OMNIBUS</b> Tech correction - Delete "the resident paid to any" and replace with "paid to other", and other corrections, including "A municipal corporation is not required to refund taxes not paid to the municipal corporation."	
1775 - 1776	Removes requirement for taxpayer who is an individual to remit 1099-MISC unless RECEIVED by the taxpayer. Muni Coalition version would have required 1099-MISC as issued by taxpayer as well. Also removed requirement to report Fed Form 4797.	Administrative burden, potential revenue loss
1783 - 1806	Excluded Fed Form 4797 from reporting; added Form 2106 to taxpayers who are not individuals to report (makes no sense); removes Form 1099-MISC from reporting by businesses.	Administrative burden, potential revenue loss
1821	Annual withholding reconciliation- changed "all" to "any"; Removed requirement for reporting of informational returns for each person who receives payments on commission or fee basis as non-employee compensation.	Administrative burden, potential revenue loss

1843, 1893, etc	Raises the minimum amount to be remitted with a tax return from \$5 (in Muni draft) to \$10. Elsewhere in document, increases minimum refund amount to \$10. (State is at \$1). Refund increase may not offset loss of revenue from balance due minimum increase.	
2023 - 2029	Changes requirement for State Tax Commissioner to provide documentation from deregulated electric and telephone returns (collected by the State) from 30 days to 60 days. Problematic since refunds by the municipal corporation must be made within 90 days. We would consider leaving it at 60 days and adding language that upon our request to the State Tax Commissioner, the statute of limitations for issuing a refund is "tolled" until the requested information is received by the municipal tax administrator from the State Tax Commissioner.	Administrative burden
2096 - 2150	(AT&T provision). New definition of "affiliated group of corporations" (see language) excludes incumbent local exchange carriers primarily engaged in business of providing local exchange telephone services in Ohio (etc). Also excludes this same group from definition of "consolidated federal taxable income". ILAC - Incumbent local exchange carriers - excludes them from both definitions.	Possible revenue loss.
2132 - 2150	Provides an opt-in / opt-out every five years for municipal tax purposes from filing a consolidated municipal income tax return (even when consolidated federal income tax return is filed for that particular taxable year). While it allows for tax administrator to approve opt-out request for good cause, denials will result in lengthy litigation process. Opt-out allows for different municipal treatment as opposed to federal treatment, and possibility of income shifting to avoid municipal tax.	Possible revenue loss.
2154	<b>OMNIBUS</b> - after "determines", add "by a preponderance of the evidence"	
2185 - 2211	Muni coalition language required that an affiliated group would deduct from the group's consolidated federal tax return the profits from a pass through entity that is included in the consolidated federal taxable income of the affiliated group, and add back any loss incurred by the pass through entity that is included in the consolidated federal taxable income of the affiliated group. Sub HB 5 allows for the OPTION to either exclude the net profit or loss, or include net profit or loss.	Possible revenue loss.

<p>NOTE Consolidated Return</p>	<p>Line 2230 - adds "for any taxable year beginning before January 1, 2020" as part of the opt-in / opt-out provisions. This would need to be removed as well as the opt-in / opt-out provision.</p>	
<p>2300 - 2302</p>	<p>Language is unnecessary. Persons with disabilities would have an agent or someone with power of attorney acting on their behalf, and such language is not required. <b>OMNIBUS</b> - DELETED 2300-2302</p>	<p>Unnecessary language. (DELETED IN OMNIBUS)</p>
<p>2727 - 2744</p>	<p>Requires that a tax administrator who loses an appeal by a taxpayer must pay interest on any amount of overpayment.</p>	
<p>2745</p>	<p><b>OMNIBUS</b> - Insert that no civil action to recover can be brought during 1) period where taxpayer has right to appeal, or 2) period where appeal is pending</p>	
<p>2819 - 2875</p>	<p>Certified mailing process for written determinations and written findings. This process is cumbersome and unnecessary, and should be removed. This process is intended to discourage tax administrator from sending notices on assessments / correction notices / etc. NOTE: When a taxpayer requests a "written determination", they are anticipating a response, and this service process is unnecessary. This is clearly intended for all of the notices sent as assessments, audits, corrections, etc. which would now all be captured under the undefined wording "written finding" (as noted earlier in this document.)</p>	<p>Administrative burden, administrative increased cost. NOTE: Since <b>OMNIBUS</b> deleted reference to "written findings", this may be resolved. (pending review)</p>
<p>2898 - 2902</p>	<p>Requires that a refund be filed "within three years after the tax was due or paid, whichever is later." This changes current statute of limitations, since the trigger in this new wording is the "tax due or paid", not the filing of the tax return or the due date of the tax return. This language is problematic and must be changed back to current statute.</p>	<p>Problematic language.</p>
<p>2957</p>	<p><b>OMNIBUS</b> - Insert "and state" after "federal"</p>	
<p>3151 - 2153</p>	<p>Muni Coalition draft stated penalty would be federal short term rate rounded to nearest whole percent plus fifteen percent. Sub HB 5 changed to just show fifteen percent as penalty rate.</p>	<p>Hampers compliance.</p>

<p>3365 - 3368</p>	<p>New language, states that taxpayer intending to file amended consolidated municipal income tax return shall notify the tax administrator before filing the amended return. Under current law, unless they are now filing an amended return as a consolidated return for the first time (original return was not a consolidated return), the taxpayer had to obtain permission to file the consolidated return. No special permission is needed to file an amended return. This appears to be a way to again bypass the authority process of the tax administrator, and file an "amended" consolidated municipal tax return without prior approval of the tax administrator.</p>	<p>Administrative burden, potential revenue loss</p>
<p>4246 - 4252</p>	<p>Requires that municipalities break down revenue collected and refunds issued by type. May be problematic for some municipalities to provide clear breakdown of refunds issued. For example, many munis refund to individuals from the employer withholding account. May need to clarify "if refund by type of income is available for reporting" or some similar language.</p>	<p>Administrative burden</p>
<p>4426 - 4431</p>	<p>Totally unacceptable language. This is an attempt to cherry pick scenarios that will not show any true NOL loss results. For example, Cleveland already has a five year NOL, so there would be no impact. There are no cities that come to mind who have more business taxpayers (total entities) than residential taxpayers, leaving no municipalites to draw data from (from this portion of the "representative sample"). Any "representative sample" should come from cities with no current NOL, or less than five year NOL, and should be a sampling based on region, size of community, and those who can readily draw this information together from existing information. As many municipalities that can participate should be permitted to participate. (AND, of course, the 5 year NOL language should not be included in this bill if a Study Committee is required to determine the impacts. This clearly indicates a pre-determined result without benefit of the research.</p>	<p>Problematic language and process.</p>