

130th General Assembly  
Regular Session  
2013-2014

. B. No.

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**A B I L L**

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 615  
taxable year ending in 2003, its income tax liability was greater 616  
in that municipal corporation than in any other municipal 617  
corporation in Ohio, and that tax liability to that municipal 618  
corporation for its taxable year ending in 2003 was at least four 619  
hundred thousand dollars. 620

(M) "Person" includes individuals, firms, companies, joint 621  
stock companies, business trusts, estates, trusts, partnerships, 622  
limited liability partnerships, limited liability companies, 623  
associations, C corporations, S corporations, governmental 624  
entities, and any other entity. 625

(N) "Pass-through entity" means a partnership not treated as 626  
an association taxable as a corporation for federal income tax 627  
purposes, a limited liability company not treated as an 628  
association taxable as a corporation for federal income tax 629  
purposes, an S corporation, or any other class of entity from 630  
which the income or profits of the entity are given pass-through 631  
treatment for federal income tax purposes. "Pass-through entity" 632  
does not include a trust, estate, grantor of a grantor trust, or 633  
disregarded entity. 634

(O) "S corporation" means a person that has made an election 635  
under subchapter S of Chapter 1 of Subtitle A of the Internal 636  
Revenue Code for its taxable year. 637

(P) "Single member limited liability company" means a limited 638  
liability company that has one direct member. 639

(Q) "Limited liability company" means a limited liability 640  
company formed under Chapter 1705. of the Revised Code or under 641  
the laws of another state. 642

(R) "Qualifying wages" means wages, as defined in section 643  
3121(a) of the Internal Revenue Code, without regard to any wage 644  
limitations, adjusted as follows: 645

(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

<u>individual. "Other payer" includes casino operators and video</u>	737
<u>lottery terminal sales agents.</u>	738
<u>(Y) "Calendar quarter" means the three-month period ending on</u>	739
<u>the last day of March, June, September, or December.</u>	740
<u>(Z) "Form 2106" means internal revenue service form 2106</u>	741
<u>filed by a taxpayer pursuant to the Internal Revenue Code.</u>	742
<u>(AA) "Municipal corporation" includes a joint economic</u>	743
<u>development district or joint economic development zone that</u>	744
<u>levies an income tax under section 715.691, 715.70, 715.71, or</u>	745
<u>715.74 of the Revised Code.</u>	746
<u>(BB) "Disregarded entity" means a single member limited</u>	747
<u>liability company, or a qualifying subchapter S subsidiary or</u>	748
<u>another entity that is a disregarded entity for federal income tax</u>	749
<u>purposes.</u>	750
<u>(CC) "Generic form" means an electronic or paper form</u>	751
<u>designed for reporting taxes withheld by an employer, agent of an</u>	752
<u>employer, or other payer, estimated municipal income taxes, or</u>	753
<u>annual municipal income tax liability or for filing a refund</u>	754
<u>claim.</u>	755
<u>(DD) "Tax return preparer" means any individual described in</u>	756
<u>section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R.</u>	757
<u>301.7701-15.</u>	758
<u>(EE) "Ohio business gateway" means the online computer</u>	759
<u>network system, created under section 125.30 of the Revised Code,</u>	760
<u>that allows persons to electronically file business reply forms</u>	761
<u>with state agencies and includes any successor electronic filing</u>	762
<u>and payment system.</u>	763
<u>(FF) "Local board of tax review" and "board of tax review"</u>	764
<u>mean the entity created under section 718.11 of the Revised Code.</u>	765
<u>(GG) "Net operating loss" means a loss incurred by a person</u>	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) 1015  
of the Internal Revenue Code to which the individual or the 1016  
individual's spouse make contributions or other payments or in 1017  
which they participate as a congregant, member, board member, 1018  
committee member, adviser, or consultant; 1019

(3) The location, place of business, or place of organization 1020  
or incorporation of a corporation, partnership, limited liability 1021  
company, or other business venture or entity in which the 1022  
individual or the individual's spouse is a shareholder or limited 1023  
partner or for which the individual or individual's spouse is a 1024  
member of the board of directors; 1025

(4) The location of the individual's friends, dependents as 1026  
defined in section 152 of the Internal Revenue Code, and family 1027  
members other than the individual's spouse; 1028

(5) The location of educational institutions that are 1029  
attended by the individual's dependents as defined in section 152 1030  
of the Internal Revenue Code or from which the individual or the 1031  
individual's spouse or dependents claimed the benefit of in-state 1032  
tuition rates available only to individuals domiciled in the 1033  
state; 1034

(6) The location of all businesses at which the individual or 1035  
the individual's spouse makes purchases of tangible personal 1036  
property; 1037

(7) Whether the individual is registered to vote, or has 1038  
voted, in the municipal corporation during the taxable year; 1039

(8) The location at which the individual acquired or renewed 1040  
the individual's Ohio driver's license, or the location at which 1041  
the individual's vehicle is registered, for the taxable year; 1042

(9) The place of employment of the individual or the 1043  
individual's spouse. 1044

(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  
1452

~~(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  
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(1) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid; 1646  
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(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  
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(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  
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(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  
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(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 municipal income tax returns through the Ohio business gateway. 2011  
2012

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

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

~~(I)~~(G) Nothing in this section shall be construed as limiting or removing the ~~ability~~ authority of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax. 2019  
2020  
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(H) Within sixty days after a request by a tax administrator, the tax commissioner shall provide to the tax administrator any municipal income tax data the commissioner has acquired under Chapter 5745. of the Revised Code. The tax commissioner may not impose a fee or charge to defray the costs of providing such data, including costs associated with the inspection, review, production, photocopying, or transmission of that data. 2023  
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**Sec. 718.052.** (A) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an act of the congress of the United States, and each civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces, may apply to the tax administrator of a municipal corporation for both an extension of time for filing of the return and an extension of time for payment of taxes required by the municipal corporation in accordance with this chapter during the period of the member's or civilian's duty service and for one hundred eighty days thereafter. The 2030  
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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  
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(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  
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(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  
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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  
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(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 2448  
same manner as any other municipal income tax election. Notice of 2449  
the election shall be published in a newspaper of general 2450  
circulation in the municipal corporation once a week for four 2451  
consecutive weeks, or as provided in section 7.16 of the Revised 2452  
Code, prior to the election, and shall include statements of the 2453  
rate and municipal corporation and school district purposes of the 2454  
income tax, the percentage of tax revenue that will be paid to the 2455  
school district, and the first year the tax will be levied. The 2456  
ballot shall be in the following form: 2457

"Shall the ordinance providing for a ..... per cent levy on 2458  
income for (brief description of the municipal corporation and 2459  
school district purposes of the levy, including a statement of the 2460  
percentage of tax revenue that will be paid to the school 2461  
district) be passed? The income tax, if approved, will not be 2462  
levied on the incomes of individuals who do not reside in (the 2463  
name of the municipal corporation). 2464

	For the income tax	
	Against the income tax	"

(D) If the question is approved by a majority of the 2468  
electors, the municipal corporation shall impose the income tax 2469  
beginning ~~in~~ on the first day of January of the year specified in 2470  
the ordinance. The proceeds of the levy may be used only for the 2471  
specified purposes, including payment of the specified percentage 2472  
to the school district. 2473  
2474

**Sec. 718.10.** (A) This section applies to a group of two or 2475  
more municipal corporations that, taken together, share the same 2476  
territory as a single city, local, or exempted village school 2477  
district, to the extent that not more than five per cent of the 2478

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

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

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

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

second municipal corporation, along with any interest accruing 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 2889  
tax administrator of a municipal corporation, in accordance with 2890  
this section, shall refund to employers, agents of employers, 2891  
other payers, or taxpayers, with respect to any income or 2892  
withholding tax levied by the municipal corporation: 2893

(1) Overpayments of more than ten dollars; 2894

(2) Amounts in excess of ten dollars paid erroneously. 2895

(B) Except as otherwise provided in this chapter, 2896  
applications for refund shall be filed with the tax administrator, 2897  
on the form prescribed by the tax administrator within three years 2898  
after the tax was due or paid, whichever is later. The tax 2899  
administrator may require an applicant to file with the 2900  
application any documentation that substantiates the applicant's 2901  
claim for a refund. 2902

On filing of the refund application, the tax administrator 2903  
shall determine the amount of refund due and certify such amount 2904  
to the appropriate municipal corporation official for payment. 2905

(C) An application for a refund that is received after the 2906  
last day for filing specified in division (B) of this section 2907  
shall be considered to have been filed in a timely manner if any 2908  
of the following situations exist: 2909

(1) The application is delivered by the postal service, and 2910  
the earliest postal service postmark on the cover in which the 2911  
application is enclosed is not later than the last day for filing 2912  
the application. 2913

(2) The application is delivered by the postal service, the 2914  
only postmark on the cover in which the application is enclosed 2915  
was affixed by a private postal meter, the date of that postmark 2916  
is not later than the last day for filing the application, and the 2917  
application is received within seven days of such last day. 2918

(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 3468
(9) Horse-racing taxes under Chapter 3769. of the Revised Code.	3469 3470
(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.	3471 3472 3473
(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.	3474 3475 3476 3477 3478 3479 3480
(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.	3481 3482 3483 3484 3485 3486 3487
<b>Sec. 5703.57.</b> (A) As used in this section, "Ohio business gateway" has the same meaning as in section 718.051 of the Revised Code.	3488 3489 3490
(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	3491 3492 3493 3494 3495

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