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H.B. 108
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Santucci and A. Miller

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SUMMARY

- Authorizes certified, tax-exempt retailers which sell donated goods to retain up to the lesser of 25% or $1 million per year of collected state sales taxes to fund job training and placement services for individuals with workplace disadvantages.

DETAILED ANALYSIS

Sales tax retention by certain tax-exempt retailers

The bill, known as the Nonprofit Workforce Reinvestment Act, authorizes certain tax-exempt retailers to be certified by the Director of Development (DEV), allowing the retailer to retain a portion of the state sales tax it collects on sales of donated goods to fund certain job training and placement services.

To become certified, a retailer must be a 501(c)(3) nonprofit organization that operates one or more stores that sell donated items and that uses a portion of its revenue to provide job training, job placement services, or employment to people with certain workplace disadvantages. Such a retailer must submit an application to DEV along with records showing how many people the retailer has trained and employed through its workforce development programs. DEV has 30 days after receiving an application to issue a determination.

If DEV approves an application, the retailer is issued a certificate authorizing the retailer to retain up to 25% of the state sales tax it collects on the sales of donated goods, up to $1 million per calendar year. The retailer may not retain any collected county or transit authority sales taxes. The retailer must report the amount of tax retained on its monthly sales tax return. Retained revenue must be used to fund job training and placement services for individuals with certain workplace disadvantages, i.e., disabilities and other barriers to employment such as mental health issues, criminal history, veteran status, and homelessness.

By January 31 of each year, a certified retailer must file a report with DEV accounting for the use of retained funds in the preceding year and specifying the number of individuals served by the retailer's workforce programs. DEV reviews these reports to ensure compliance and must notify the Tax Commissioner of any noncompliance within four years after the last day of the year covered by the report. The Commissioner may make an assessment against a retailer for any unauthorized use of retained funds or if the retailer retains more than $1 million per year.[1]

HISTORY

Action	Date
Introduced	03-14-23

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[1] R.C. 5739.28, 5739.12, and 5739.99.