

As Introduced

**131st General Assembly
Regular Session
2015-2016**

H. B. No. 600

Representative Amstutz

A BILL

To amend section 5726.04 of the Revised Code to 1
make a technical correction to the financial 2
institutions tax rate adjustment mechanism for 3
tax year 2017 and to declare an emergency. 4

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

Section 1. That section 5726.04 of the Revised Code be 5
amended to read as follows: 6

Sec. 5726.04. (A) The tax levied on a financial 7
institution under this chapter shall be the greater of the 8
following: 9

(1) A minimum tax equal to one thousand dollars; 10

(2) The product of the total Ohio equity capital of the 11
financial institution, as determined under this section, 12
multiplied by eight mills for each dollar of the first two 13
hundred million dollars of total Ohio equity capital, by four 14
mills for each dollar of total Ohio equity capital greater than 15
two hundred million and less than one billion three hundred 16
million dollars, and by two and one-half mills for each dollar 17

of total Ohio equity capital equal to or greater than one 18
billion three hundred million dollars. 19

(B) If the reporting person for a financial institution 20
files an FR Y-9 or call report, the total equity capital of the 21
financial institution shall equal the total equity capital shown 22
on the reporting person's FR Y-9 or call report as of the end of 23
the taxable year. The total equity capital of all other 24
financial institutions shall be reported as of the end of the 25
taxable year in accordance with generally accepted accounting 26
principles. 27

(C) For the purposes of this section, "total Ohio equity 28
capital" means the product of the total equity capital of a 29
financial institution as of the end of a taxable year multiplied 30
by the Ohio apportionment ratio calculated for the financial 31
institution under section 5726.05 of the Revised Code, except as 32
provided in section 5726.041 of the Revised Code. 33

(D) All payments received from the tax levied under this 34
chapter shall be credited to the general revenue fund. 35

(E) (1) As used in this division: 36

(a) ~~"First target tax amount" means two hundred million-~~ 37
~~dollars.~~ 38

~~(b) "Second target Target tax amount" means one hundred-~~ 39
~~six per cent of the first target tax amount or, if applicable,~~ 40
~~the first target tax amount as adjusted under division (E) (2) or~~ 41
~~(3) of this section two hundred twelve million dollars.~~ 42

~~(c) (b) "Amount of taxes collected" means the amount of~~ 43
~~taxes received by the tax commissioner from the tax levied under~~ 44
~~this chapter for a tax year, plus the total amount of the tax-~~ 45
~~credit authorized by section 5726.57 of the Revised Code claimed~~ 46

~~on tax year 2014 reports, less any amounts refunded to taxpayers~~ 47
~~for the same tax year.~~ 48

~~(2) If, for the tax year beginning on January 1, 2014, the~~ 49
~~total amount of taxes collected from all taxpayers under this~~ 50
~~chapter is greater than one hundred ten per cent of the first~~ 51
~~target tax amount, the tax commissioner shall decrease each tax~~ 52
~~rate provided in division (A) (2) of this section by a percentage~~ 53
~~equal to the percentage by which the amount of taxes collected~~ 54
~~exceeded the first target tax amount.~~ 55

~~(3) If, for the tax year beginning on January 1, 2014, the~~ 56
~~total amount of taxes collected from all taxpayers under this~~ 57
~~chapter is less than ninety per cent of the first target tax~~ 58
~~amount, the tax commissioner shall increase the tax rate for~~ 59
~~each dollar of total Ohio equity capital equal to or greater~~ 60
~~than one billion three hundred million dollars as provided in~~ 61
~~division (A) (2) of this section by a percentage equal to a~~ 62
~~fraction, the denominator of which is the aggregate sum of each~~ 63
~~dollar of each taxpayer's Ohio equity capital greater than or~~ 64
~~equal to one billion three hundred million dollars, as reported~~ 65
~~by each taxpayer for tax year 2014, multiplied by the tax rate~~ 66
~~for each dollar of total Ohio equity capital greater than or~~ 67
~~equal to one billion three hundred million dollars provided~~ 68
~~under division (A) (2) of this section, and the numerator of~~ 69
~~which is the sum of the denominator and the difference obtained~~ 70
~~by subtracting the amount of taxes collected under this chapter~~ 71
~~in tax year 2014 from ninety per cent of the first target tax~~ 72
~~amount.~~ 73

~~(4) If, for the tax year beginning on January 1, 2016, the~~ 74
~~total amount of taxes collected from all taxpayers under this~~ 75
~~chapter is greater than one hundred ten per cent of the ~~second~~~~ 76

target tax amount, the tax commissioner shall decrease each tax 77
rate in effect on January 1, 2016, by a percentage equal to the 78
percentage by which the amount of taxes collected exceeded the 79
~~second~~ target tax amount. 80

~~(5)~~(3) If, for the tax year beginning on January 1, 2016, 81
the total amount of taxes collected from all taxpayers under 82
this chapter is less than ninety per cent of the ~~second~~ target 83
tax amount, the tax commissioner shall increase the tax rate 84
provided in division (A) (2) of this section for each dollar of 85
total Ohio equity capital equal to or greater than one billion 86
three hundred million dollars ~~as provided in division (A) (2) of~~ 87
~~this section by a percentage equal to~~. The new tax rate for 88
each dollar of total equity capital equal to or greater than one 89
billion three hundred million dollars shall be two and one-half 90
mills per dollar multiplied by a fraction, the. The denominator 91
of which the fraction is the aggregate sum of each dollar of 92
each taxpayer's Ohio equity capital greater than or equal to one 93
billion three hundred million dollars, as reported by each 94
taxpayer for tax year 2016, multiplied by ~~the tax rate for each~~ 95
~~dollar of total Ohio equity capital greater than or equal to one~~ 96
~~billion three hundred million dollars provided under division~~ 97
~~(A) (2) of this section, and the two and one-half mills per~~ 98
dollar. The numerator of which is the sum of the denominator and 99
the difference obtained by subtracting the amount of taxes 100
collected under this chapter in tax year 2016 from ~~ninety per~~ 101
~~cent of the second target tax amount~~ one hundred ninety million 102
eight hundred thousand dollars. 103

~~(6)~~(4) Tax rates adjusted pursuant to division (E) (2) ~~7~~ or 104
(3) ~~, (4), or (5)~~ of this section shall be rounded to the nearest 105
one-tenth of one mill per dollar. The tax commissioner shall 106
publish the new tax rates by journal entry and provide notice of 107

the new tax rates to taxpayers. The new tax rates adjusted 108
pursuant to division (E) (2) or (3) of this section ~~shall apply~~ 109
~~to tax years beginning on or after January 1, 2015. The new tax~~ 110
~~rates adjusted pursuant to division (E) (4) or (5) of this~~ 111
~~section~~ shall apply to tax years beginning on or after January 112
1, 2017. 113

Section 2. That existing section 5726.04 of the Revised 114
Code is hereby repealed. 115

Section 3. This act is hereby declared to be an emergency 116
measure necessary for the immediate preservation of the public 117
peace, health, and safety. The reason for such necessity is to 118
ensure that the financial institutions tax rate is adjusted to 119
the intended rate before the beginning of the 2017 tax year. 120
Therefore, this act shall go into immediate effect. 121