

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**H. B. No. 612**

**Representative Ryan**

**Cosponsors: Representatives Grossman, Young, Hill, Dean, Brenner, Perales,  
Smith, R., Koehler**

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**A BILL**

To amend sections 111.16, 718.01, 718.05, 1329.01, 1  
4123.01, 4141.42, 5741.02, 5747.01, and 5751.01 2  
and to enact sections 1701.041, 4799.04, and 3  
5703.94 of the Revised Code to exempt out-of- 4  
state disaster businesses and qualifying out-of- 5  
state employees from certain taxes and laws with 6  
respect to disaster work on critical 7  
infrastructure performed in this state during a 8  
declared disaster. 9

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

**Section 1.** That sections 111.16, 718.01, 718.05, 1329.01, 10  
4123.01, 4141.42, 5741.02, 5747.01, and 5751.01 be amended and 11  
sections 1701.041, 4799.04, and 5703.94 of the Revised Code be 12  
enacted to read as follows: 13

**Sec. 111.16.** ~~The~~ Except as provided in section 1701.041 of 14  
the Revised Code, the secretary of state shall charge and 15  
collect, for the benefit of the state, the following fees: 16

(A) For filing and recording articles of incorporation of 17

a domestic corporation, including designation of agent:	18
(1) Wherein the corporation shall not be authorized to issue any shares of capital stock, ninety-nine dollars;	19 20
(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	21 22
(a) Ten cents for each share authorized up to and including one thousand shares;	23 24
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	25 26
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	27 28
(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	29 30
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	31 32 33
(f) One-quarter cent for each share authorized in excess of five hundred thousand shares; provided no fee shall be less than ninety-nine dollars or greater than one hundred thousand dollars.	34 35 36 37
(B) For filing and recording a certificate of amendment to or amended articles of incorporation of a domestic corporation, or for filing and recording a certificate of reorganization, a certificate of dissolution, or an amendment to a foreign license application:	38 39 40 41 42
(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	43 44

(2) If the domestic corporation is authorized to issue 45  
shares of capital stock, fifty dollars, and in case of any 46  
increase in the number of shares authorized to be issued, a 47  
further sum computed in accordance with the schedule set forth 48  
in division (A) (2) of this section less a credit computed in the 49  
same manner for the number of shares previously authorized to be 50  
issued by the corporation; provided no fee under division (B) (2) 51  
of this section shall be greater than one hundred thousand 52  
dollars; 53

(3) If the foreign corporation is not authorized to issue 54  
any shares of capital stock, fifty dollars; 55

(4) If the foreign corporation is authorized to issue 56  
shares of capital stock, fifty dollars. 57

(C) For filing and recording articles of incorporation of 58  
a savings and loan association, ninety-nine dollars; and for 59  
filing and recording a certificate of amendment to or amended 60  
articles of incorporation of a savings and loan association, 61  
fifty dollars; 62

(D) For filing and recording a certificate of conversion, 63  
including a designation of agent, a certificate of merger, or a 64  
certificate of consolidation, ninety-nine dollars and, in the 65  
case of any new corporation resulting from a consolidation or 66  
any surviving corporation that has an increased number of shares 67  
authorized to be issued resulting from a merger, an additional 68  
sum computed in accordance with the schedule set forth in 69  
division (A) (2) of this section less a credit computed in the 70  
same manner for the number of shares previously authorized to be 71  
issued or represented in this state by each of the corporations 72  
for which a consolidation or merger is effected by the 73  
certificate; 74

(E) For filing and recording articles of incorporation of a credit union or the American credit union guaranty association, ninety-nine dollars, and for filing and recording a certificate of increase in capital stock or any other amendment of the articles of incorporation of a credit union or the association, fifty dollars;

(F) For filing and recording articles of organization of a limited liability company, for filing and recording an application to become a registered foreign limited liability company, for filing and recording a registration application to become a domestic limited liability partnership, or for filing and recording an application to become a registered foreign limited liability partnership, ninety-nine dollars;

(G) For filing and recording a certificate of limited partnership or an application for registration as a foreign limited partnership, or for filing an initial statement of partnership authority pursuant to section 1776.33 of the Revised Code, ninety-nine dollars;

(H) For filing a copy of papers evidencing the incorporation of a municipal corporation or of annexation of territory by a municipal corporation, five dollars, to be paid by the municipal corporation, the petitioners therefor, or their agent;

(I) For filing and recording any of the following:

(1) A license to transact business in this state by a foreign corporation for profit pursuant to section 1703.04 of the Revised Code or a foreign nonprofit corporation pursuant to section 1703.27 of the Revised Code, ninety-nine dollars;

(2) A biennial report or biennial statement pursuant to

section 1775.63, 1776.83, or 1785.06 of the Revised Code,	104
twenty-five dollars;	105
(3) Except as otherwise provided in this section or any	106
other section of the Revised Code, any other certificate or	107
paper that is required to be filed and recorded or is permitted	108
to be filed and recorded by any provision of the Revised Code	109
with the secretary of state, twenty-five dollars.	110
(J) For filing any certificate or paper not required to be	111
recorded, five dollars;	112
(K) (1) For making copies of any certificate or other paper	113
filed in the office of the secretary of state, a fee not to	114
exceed one dollar per page, except as otherwise provided in the	115
Revised Code, and for creating and affixing the seal of the	116
office of the secretary of state to any good standing or other	117
certificate, five dollars. For copies of certificates or papers	118
required by state officers for official purpose, no charge shall	119
be made.	120
(2) For creating and affixing the seal of the office of	121
the secretary of state to the certificates described in division	122
(E) of section 1701.81, division (E) of section 1701.811,	123
division (E) of section 1705.38, division (E) of section	124
1705.381, division (D) of section 1702.43, division (E) of	125
section 1775.47, division (E) of section 1775.55, division (E)	126
of section 1776.70, division (E) of section 1776.74, division	127
(E) of section 1782.433, or division (E) of section 1782.4310 of	128
the Revised Code, twenty-five dollars.	129
(L) For a minister's license to solemnize marriages, ten	130
dollars;	131
(M) For examining documents to be filed at a later date	132

for the purpose of advising as to the acceptability of the	133
proposed filing, fifty dollars;	134
(N) Fifty dollars for filing and recording any of the	135
following:	136
(1) A certificate of dissolution and accompanying	137
documents, or a certificate of cancellation, under section	138
1701.86, 1702.47, 1705.43, 1776.65, or 1782.10 of the Revised	139
Code;	140
(2) A notice of dissolution of a foreign licensed	141
corporation or a certificate of surrender of license by a	142
foreign licensed corporation under section 1703.17 of the	143
Revised Code;	144
(3) The withdrawal of registration of a foreign or	145
domestic limited liability partnership under section 1775.61,	146
1775.64, 1776.81, or 1776.86 of the Revised Code, or the	147
certificate of cancellation of registration of a foreign limited	148
liability company under section 1705.57 of the Revised Code;	149
(4) The filing of a statement of denial under section	150
1776.34 of the Revised Code, a statement of dissociation under	151
section 1776.57 of the Revised Code, a statement of disclaimer	152
of general partner status under Chapter 1782. of the Revised	153
Code, or a cancellation of disclaimer of general partner status	154
under Chapter 1782. of the Revised Code.	155
(O) For filing a statement of continued existence by a	156
nonprofit corporation, twenty-five dollars;	157
(P) For filing a restatement under section 1705.08 or	158
1782.09 of the Revised Code, an amendment to a certificate of	159
cancellation under section 1782.10 of the Revised Code, an	160
amendment under section 1705.08 or 1782.09 of the Revised Code,	161

or a correction under section 1705.55, 1775.61, 1775.64,	162
1776.12, or 1782.52 of the Revised Code, fifty dollars;	163
(Q) For filing for reinstatement of an entity cancelled by	164
operation of law, by the secretary of state, by order of the	165
department of taxation, or by order of a court, twenty-five	166
dollars;	167
(R) For filing and recording any of the following:	168
(1) A change of agent, resignation of agent, or change of	169
agent's address under section 1701.07, 1702.06, 1703.041,	170
1703.27, 1705.06, 1705.55, 1746.04, 1747.03, 1776.07, or 1782.04	171
of the Revised Code, twenty-five dollars;	172
(2) A multiple change of agent name or address,	173
standardization of agent address, or resignation of agent under	174
section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55,	175
1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, one	176
hundred twenty-five dollars, plus three dollars per entity	177
record being changed, by the multiple agent update.	178
(S) For filing and recording any of the following:	179
(1) An application for the exclusive right to use a name	180
or an application to reserve a name for future use under section	181
1701.05, 1702.05, 1703.31, 1705.05, or 1746.06 of the Revised	182
Code, thirty-nine dollars;	183
(2) A trade name or fictitious name registration or	184
report, thirty-nine dollars;	185
(3) An application to renew any item covered by division	186
(S) (1) or (2) of this section that is permitted to be renewed,	187
twenty-five dollars;	188
(4) An assignment of rights for use of a name covered by	189

division (S) (1), (2), or (3) of this section, the cancellation 190  
of a name registration or name reservation that is so covered, 191  
or notice of a change of address of the registrant of a name 192  
that is so covered, twenty-five dollars. 193

(T) For filing and recording a report to operate a 194  
business trust or a real estate investment trust, either foreign 195  
or domestic, ninety-nine dollars; and for filing and recording 196  
an amendment to a report or associated trust instrument, or a 197  
surrender of authority, to operate a business trust or real 198  
estate investment trust, fifty dollars; 199

(U) (1) For filing and recording the registration of a 200  
trademark, service mark, or mark of ownership, one hundred 201  
twenty-five dollars; 202

(2) For filing and recording the change of address of a 203  
registrant, the assignment of rights to a registration, a 204  
renewal of a registration, or the cancellation of a registration 205  
associated with a trademark, service mark, or mark of ownership, 206  
twenty-five dollars. 207

(V) For filing a service of process with the secretary of 208  
state, five dollars, except as otherwise provided in any section 209  
of the Revised Code. 210

Fees specified in this section may be paid by cash, check, 211  
or money order, by credit card in accordance with section 113.40 212  
of the Revised Code, or by an alternative payment program in 213  
accordance with division (B) of section 111.18 of the Revised 214  
Code. Any credit card number or the expiration date of any 215  
credit card is not subject to disclosure under Chapter 149. of 216  
the Revised Code. 217

**Sec. 718.01.** Any term used in this chapter that is not 218



otherwise defined in this chapter has the same meaning as when 219  
used in a comparable context in laws of the United States 220  
relating to federal income taxation or in Title LVIII of the 221  
Revised Code, unless a different meaning is clearly required. If 222  
a term used in this chapter that is not otherwise defined in 223  
this chapter is used in a comparable context in both the laws of 224  
the United States relating to federal income tax and in Title 225  
LVIII of the Revised Code and the use is not consistent, then the 226  
use of the term in the laws of the United States relating to 227  
federal income tax shall control over the use of the term in 228  
Title LVIII of the Revised Code. 229

As used in this chapter: 230

(A) (1) "Municipal taxable income" means the following: 231

(a) For a person other than an individual, income reduced 232  
by exempt income to the extent otherwise included in income and 233  
then, as applicable, apportioned or situated to the municipal 234  
corporation under section 718.02 of the Revised Code, and 235  
further reduced by any pre-2017 net operating loss carryforward 236  
available to the person for the municipal corporation. 237

(b) (i) For an individual who is a resident of a municipal 238  
corporation other than a qualified municipal corporation, income 239  
reduced by exempt income to the extent otherwise included in 240  
income, then reduced as provided in division (A) (2) of this 241  
section, and further reduced by any pre-2017 net operating loss 242  
carryforward available to the individual for the municipal 243  
corporation. 244

(ii) For an individual who is a resident of a qualified 245  
municipal corporation, Ohio adjusted gross income reduced by 246  
income exempted, and increased by deductions excluded, by the 247

qualified municipal corporation from the qualified municipal 248  
corporation's tax. If a qualified municipal corporation, on or 249  
before December 31, 2013, exempts income earned by individuals 250  
who are not residents of the qualified municipal corporation and 251  
net profit of persons that are not wholly located within the 252  
qualified municipal corporation, such individual or person shall 253  
have no municipal taxable income for the purposes of the tax 254  
levied by the qualified municipal corporation and may be 255  
exempted by the qualified municipal corporation from the 256  
requirements of section 718.03 of the Revised Code. 257

(c) For an individual who is a nonresident of a municipal 258  
corporation, income reduced by exempt income to the extent 259  
otherwise included in income and then, as applicable, 260  
apportioned or situated to the municipal corporation under 261  
section 718.02 of the Revised Code, then reduced as provided in 262  
division (A)(2) of this section, and further reduced by any pre- 263  
2017 net operating loss carryforward available to the individual 264  
for the municipal corporation. 265

(2) In computing the municipal taxable income of a 266  
taxpayer who is an individual, the taxpayer may subtract, as 267  
provided in division (A)(1)(b)(i) or (c) of this section, the 268  
amount of the individual's employee business expenses reported 269  
on the individual's form 2106 that the individual deducted for 270  
federal income tax purposes for the taxable year, subject to the 271  
limitation imposed by section 67 of the Internal Revenue Code. 272  
For the municipal corporation in which the taxpayer is a 273  
resident, the taxpayer may deduct all such expenses allowed for 274  
federal income tax purposes. For a municipal corporation in 275  
which the taxpayer is not a resident, the taxpayer may deduct 276  
such expenses only to the extent the expenses are related to the 277  
taxpayer's performance of personal services in that nonresident 278

municipal corporation.	279
(B) "Income" means the following:	280
(1) (a) 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 indirectly by the resident and any net profit of the resident, except as provided in division (D) (4) of this section.	281 282 283 284 285 286 287
(b) For the purposes of division (B) (1) (a) of this section:	288 289
(i) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (B) (1) (d) of this section;	290 291 292 293 294 295 296 297 298 299
(ii) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.	300 301 302 303 304 305
(c) Division (B) (1) (b) of this section does not apply with respect to any net profit or net operating loss attributable to	306 307

an ownership interest in an S corporation unless shareholders' 308  
distributive shares of net profits from S corporations are 309  
subject to tax in the municipal corporation as provided in 310  
division (C) (14) (b) or (c) of this section. 311

(d) Any amount of a net operating loss used to reduce a 312  
taxpayer's net profit for a taxable year shall reduce the amount 313  
of net operating loss that may be carried forward to any 314  
subsequent year for use by that taxpayer. In no event shall the 315  
cumulative deductions for all taxable years with respect to a 316  
taxpayer's net operating loss exceed the original amount of that 317  
net operating loss available to that taxpayer. 318

(2) In the case of nonresidents, all income, salaries, 319  
qualifying wages, commissions, and other compensation from 320  
whatever source earned or received by the nonresident for work 321  
done, services performed or rendered, or activities conducted in 322  
the municipal corporation, including any net profit of the 323  
nonresident, but excluding the nonresident's distributive share 324  
of the net profit or loss of only pass-through entities owned 325  
directly or indirectly by the nonresident. 326

(3) For taxpayers that are not individuals, net profit of 327  
the taxpayer; 328

(4) Lottery, sweepstakes, gambling and sports winnings, 329  
winnings from games of chance, and prizes and awards. If the 330  
taxpayer is a professional gambler for federal income tax 331  
purposes, the taxpayer may deduct related wagering losses and 332  
expenses to the extent authorized under the Internal Revenue 333  
Code and claimed against such winnings. 334

(C) "Exempt income" means all of the following: 335

(1) The military pay or allowances of members of the armed 336

forces of the United States or members of their reserve	337
components, including the national guard of any state;	338
(2) (a) Except as provided in division (C) (2) (b) of this	339
section, intangible income;	340
(b) A municipal corporation that taxed any type of	341
intangible income on March 29, 1988, pursuant to Section 3 of	342
S.B. 238 of the 116th general assembly, may continue to tax that	343
type of income if a majority of the electors of the municipal	344
corporation voting on the question of whether to permit the	345
taxation of that type of intangible income after 1988 voted in	346
favor thereof at an election held on November 8, 1988.	347
(3) Social security benefits, railroad retirement	348
benefits, unemployment compensation, pensions, retirement	349
benefit payments, payments from annuities, and similar payments	350
made to an employee or to the beneficiary of an employee under a	351
retirement program or plan, disability payments received from	352
private industry or local, state, or federal governments or from	353
charitable, religious or educational organizations, and the	354
proceeds of sickness, accident, or liability insurance policies.	355
As used in division (C) (3) of this section, "unemployment	356
compensation" does not include supplemental unemployment	357
compensation described in section 3402(o) (2) of the Internal	358
Revenue Code.	359
(4) The income of religious, fraternal, charitable,	360
scientific, literary, or educational institutions to the extent	361
such income is derived from tax-exempt real estate, tax-exempt	362
tangible or intangible property, or tax-exempt activities.	363
(5) Compensation paid under section 3501.28 or 3501.36 of	364
the Revised Code to a person serving as a precinct election	365

official to the extent that such compensation does not exceed 366  
one thousand dollars for the taxable year. Such compensation in 367  
excess of one thousand dollars for the taxable year may be 368  
subject to taxation by a municipal corporation. A municipal 369  
corporation shall not require the payer of such compensation to 370  
withhold any tax from that compensation. 371

(6) Dues, contributions, and similar payments received by 372  
charitable, religious, educational, or literary organizations or 373  
labor unions, lodges, and similar organizations; 374

(7) Alimony and child support received; 375

(8) Compensation for personal injuries or for damages to 376  
property from insurance proceeds or otherwise, excluding 377  
compensation paid for lost salaries or wages or compensation 378  
from punitive damages; 379

(9) Income of a public utility when that public utility is 380  
subject to the tax levied under section 5727.24 or 5727.30 of 381  
the Revised Code. Division (C) (9) of this section does not apply 382  
for purposes of Chapter 5745. of the Revised Code. 383

(10) Gains from involuntary conversions, interest on 384  
federal obligations, items of income subject to a tax levied by 385  
the state and that a municipal corporation is specifically 386  
prohibited by law from taxing, and income of a decedent's estate 387  
during the period of administration except such income from the 388  
operation of a trade or business; 389

(11) Compensation or allowances excluded from federal 390  
gross income under section 107 of the Internal Revenue Code; 391

(12) Employee compensation that is not qualifying wages as 392  
defined in division (R) of this section; 393

(13) Compensation paid to a person employed within the 394  
boundaries of a United States air force base under the 395  
jurisdiction of the United States air force that is used for the 396  
housing of members of the United States air force and is a 397  
center for air force operations, unless the person is subject to 398  
taxation because of residence or domicile. If the compensation 399  
is subject to taxation because of residence or domicile, tax on 400  
such income shall be payable only to the municipal corporation 401  
of residence or domicile. 402

(14) (a) Except as provided in division (C) (14) (b) or (c) 403  
of this section, an S corporation shareholder's distributive 404  
share of net profits of the S corporation, other than any part 405  
of the distributive share of net profits that represents wages 406  
as defined in section 3121(a) of the Internal Revenue Code or 407  
net earnings from self-employment as defined in section 1402(a) 408  
of the Internal Revenue Code. 409

(b) If, pursuant to division (H) of former section 718.01 410  
of the Revised Code as it existed before March 11, 2004, a 411  
majority of the electors of a municipal corporation voted in 412  
favor of the question at an election held on November 4, 2003, 413  
the municipal corporation may continue after 2002 to tax an S 414  
corporation shareholder's distributive share of net profits of 415  
an S corporation. 416

(c) If, on December 6, 2002, a municipal corporation was 417  
imposing, assessing, and collecting a tax on an S corporation 418  
shareholder's distributive share of net profits of the S 419  
corporation to the extent the distributive share would be 420  
allocated or apportioned to this state under divisions (B) (1) 421  
and (2) of section 5733.05 of the Revised Code if the S 422  
corporation were a corporation subject to taxes imposed under 423

Chapter 5733. of the Revised Code, the municipal corporation may 424  
continue to impose the tax on such distributive shares to the 425  
extent such shares would be so allocated or apportioned to this 426  
state only until December 31, 2004, unless a majority of the 427  
electors of the municipal corporation voting on the question of 428  
continuing to tax such shares after that date voted in favor of 429  
that question at an election held November 2, 2004. If a 430  
majority of those electors voted in favor of the question, the 431  
municipal corporation may continue after December 31, 2004, to 432  
impose the tax on such distributive shares only to the extent 433  
such shares would be so allocated or apportioned to this state. 434

(d) A municipal corporation shall be deemed to have 435  
elected to tax S corporation shareholders' distributive shares 436  
of net profits of the S corporation in the hands of the 437  
shareholders if a majority of the electors of a municipal 438  
corporation voted in favor of a question at an election held 439  
under division (C) (14) (b) or (c) of this section. The municipal 440  
corporation shall specify by resolution or ordinance that the 441  
tax applies to the distributive share of a shareholder of an S 442  
corporation in the hands of the shareholder of the S 443  
corporation. 444

(15) To the extent authorized under a resolution or 445  
ordinance adopted by a municipal corporation before January 1, 446  
2016, all or a portion of the income of individuals or a class 447  
of individuals under eighteen years of age. 448

(16) (a) Except as provided in divisions (C) (16) (b), (c), 449  
and (d) of this section, qualifying wages described in division 450  
(B) (1) or (E) of section 718.011 of the Revised Code to the 451  
extent the qualifying wages are not subject to withholding for 452  
the municipal corporation under either of those divisions. 453



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

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

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

(i) For qualifying wages described in division (B) (1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(ii) The employee receives a refund of the tax described in division (C) (16) (d) (i) of this section on the basis of the employee not performing services in that municipal corporation.

(17) (a) Except as provided in division (C) (17) (b) or (c) of this section, 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.

(b) The exemption provided in division (C) (17) (a) of this

section does not apply under either of the following 483  
circumstances: 484

(i) The individual's base of operation is located in the 485  
municipal corporation. 486

(ii) The individual is a professional athlete, 487  
professional entertainer, or public figure, and the compensation 488  
is paid for the performance of services in the individual's 489  
capacity as a professional athlete, professional entertainer, or 490  
public figure. For purposes of division (C) (17) (b) (ii) of this 491  
section, "professional athlete," "professional entertainer," and 492  
"public figure" have the same meanings as in section 718.011 of 493  
the Revised Code. 494

(c) Compensation to which division (C) (17) of this section 495  
applies shall be treated as earned or received at the 496  
individual's base of operation. If the individual does not have 497  
a base of operation, the compensation shall be treated as earned 498  
or received where the individual is domiciled. 499

(d) For purposes of division (C) (17) of this section, 500  
"base of operation" means the location where an individual owns 501  
or rents an office, storefront, or similar facility to which the 502  
individual regularly reports and at which the individual 503  
regularly performs personal services for compensation. 504

(18) Compensation paid to a person for personal services 505  
performed for a political subdivision on property owned by the 506  
political subdivision, regardless of whether the compensation is 507  
received by an employee of the subdivision or another person 508  
performing services for the subdivision under a contract with 509  
the subdivision, if the property on which services are performed 510  
is annexed to a municipal corporation pursuant to section 511

709.023 of the Revised Code on or after March 27, 2013, unless 512  
the person is subject to such taxation because of residence. If 513  
the compensation is subject to taxation because of residence, 514  
municipal income tax shall be payable only to the municipal 515  
corporation of residence. 516

(19) In the case of a tax administered, collected, and 517  
enforced by a municipal corporation pursuant to an agreement 518  
with the board of directors of a joint economic development 519  
district under section 715.72 of the Revised Code, the net 520  
profits of a business, and the income of the employees of that 521  
business, exempted from the tax under division (Q) of that 522  
section; 523

(20) All of the following: 524

(a) Income derived from disaster work conducted in this 525  
state by an out-of-state disaster business during a disaster 526  
response period pursuant to a qualifying solicitation received 527  
by the business; 528

(b) Income of a qualifying employee described in division 529  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 530  
such income is derived from disaster work conducted in this 531  
state by the employee during a disaster response period pursuant 532  
to a qualifying solicitation received by the employee's 533  
employer; 534

(c) Income of a qualifying employee described in division 535  
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 536  
such income is derived from disaster work conducted in this 537  
state by the employee during a disaster response period on 538  
critical infrastructure owned or used by the employee's 539  
employer. 540

(21) Income the taxation of which is prohibited by the 541  
constitution or laws of the United States. 542

Any item of income that is exempt income of a pass-through 543  
entity under division (C) of this section is exempt income of 544  
each owner of the pass-through entity to the extent of that 545  
owner's distributive or proportionate share of that item of the 546  
entity's income. 547

(D) (1) "Net profit" for a person other than an individual 548  
means adjusted federal taxable income. 549

(2) "Net profit" for a person who is an individual means 550  
the individual's net profit required to be reported on schedule 551  
C, schedule E, or schedule F reduced by any net operating loss 552  
carried forward. For the purposes of division (D) (2) of this 553  
section, the net operating loss carried forward shall be 554  
calculated and deducted in the same manner as provided in 555  
division (E) (8) of this section. 556

(3) For the purposes of this chapter, and notwithstanding 557  
division (D) (1) of this section, net profit of a disregarded 558  
entity shall not be taxable as against that disregarded entity, 559  
but shall instead be included in the net profit of the owner of 560  
the disregarded entity. 561

(4) For the purposes of this chapter, and notwithstanding 562  
any other provision of this chapter, the net profit of a 563  
publicly traded partnership that makes the election described in 564  
division (D) (4) of this section shall be taxed as if the 565  
partnership were a C corporation, and shall not be treated as 566  
the net profit or income of any owner of the partnership. 567

A publicly traded partnership that is treated as a 568  
partnership for federal income tax purposes and that is subject 569

to tax on its net profits in one or more municipal corporations 570  
in this state may elect to be treated as a C corporation for 571  
municipal income tax purposes. The publicly traded partnership 572  
shall make the election in every municipal corporation in which 573  
the partnership is subject to taxation on its net profits. The 574  
election shall be made on the annual tax return filed in each 575  
such municipal corporation. The publicly traded partnership 576  
shall not be required to file the election with any municipal 577  
corporation in which the partnership is not subject to taxation 578  
on its net profits, but division (D) (4) of this section applies 579  
to all municipal corporations in which an individual owner of 580  
the partnership resides. 581

(E) "Adjusted federal taxable income," for a person 582  
required to file as a C corporation, or for a person that has 583  
elected to be taxed as a C corporation under division (D) (4) of 584  
this section, means a C corporation's federal taxable income 585  
before net operating losses and special deductions as determined 586  
under the Internal Revenue Code, adjusted as follows: 587

(1) Deduct intangible income to the extent included in 588  
federal taxable income. The deduction shall be allowed 589  
regardless of whether the intangible income relates to assets 590  
used in a trade or business or assets held for the production of 591  
income. 592

(2) Add an amount equal to five per cent of intangible 593  
income deducted under division (E) (1) of this section, but 594  
excluding that portion of intangible income directly related to 595  
the sale, exchange, or other disposition of property described 596  
in section 1221 of the Internal Revenue Code; 597

(3) Add any losses allowed as a deduction in the 598  
computation of federal taxable income if the losses directly 599

relate to the sale, exchange, or other disposition of an asset 600  
described in section 1221 or 1231 of the Internal Revenue Code; 601

(4) (a) Except as provided in division (E) (4) (b) of this 602  
section, deduct income and gain included in federal taxable 603  
income to the extent the income and gain directly relate to the 604  
sale, exchange, or other disposition of an asset described in 605  
section 1221 or 1231 of the Internal Revenue Code; 606

(b) Division (E) (4) (a) of this section does not apply to 607  
the extent the income or gain is income or gain described in 608  
section 1245 or 1250 of the Internal Revenue Code. 609

(5) Add taxes on or measured by net income allowed as a 610  
deduction in the computation of federal taxable income; 611

(6) In the case of a real estate investment trust or 612  
regulated investment company, add all amounts with respect to 613  
dividends to, distributions to, or amounts set aside for or 614  
credited to the benefit of investors and allowed as a deduction 615  
in the computation of federal taxable income; 616

(7) Deduct, to the extent not otherwise deducted or 617  
excluded in computing federal taxable income, any income derived 618  
from a transfer agreement or from the enterprise transferred 619  
under that agreement under section 4313.02 of the Revised Code; 620

(8) (a) Except as limited by divisions (E) (8) (b), (c), and 621  
(d) of this section, deduct any net operating loss incurred by 622  
the person in a taxable year beginning on or after January 1, 623  
2017. 624

The amount of such net operating loss shall be deducted 625  
from net profit that is reduced by exempt income to the extent 626  
necessary to reduce municipal taxable income to zero, with any 627  
remaining unused portion of the net operating loss carried 628

forward to not more than five consecutive taxable years 629  
following the taxable year in which the loss was incurred, but 630  
in no case for more years than necessary for the deduction to be 631  
fully utilized. 632

(b) No person shall use the deduction allowed by division 633  
(E) (8) of this section to offset qualifying wages. 634

(c) (i) For taxable years beginning in 2018, 2019, 2020, 635  
2021, or 2022, a person may not deduct, for purposes of an 636  
income tax levied by a municipal corporation that levies an 637  
income tax before January 1, 2016, more than fifty per cent of 638  
the amount of the deduction otherwise allowed by division (E) (8) 639  
(a) of this section. 640

(ii) For taxable years beginning in 2023 or thereafter, a 641  
person may deduct, for purposes of an income tax levied by a 642  
municipal corporation that levies an income tax before January 643  
1, 2016, the full amount allowed by division (E) (8) (a) of this 644  
section. 645

(d) Any pre-2017 net operating loss carryforward deduction 646  
that is available must be utilized before a taxpayer may deduct 647  
any amount pursuant to division (E) (8) of this section. 648

(e) Nothing in division (E) (8) (c) (i) of this section 649  
precludes a person from carrying forward, for use with respect 650  
to any return filed for a taxable year beginning after 2018, any 651  
amount of net operating loss that was not fully utilized by 652  
operation of division (E) (8) (c) (i) of this section. To the 653  
extent that an amount of net operating loss that was not fully 654  
utilized in one or more taxable years by operation of division 655  
(E) (8) (c) (i) of this section is carried forward for use with 656  
respect to a return filed for a taxable year beginning in 2019, 657

2020, 2021, or 2022, the limitation described in division (E) (8) 658  
(c) (i) of this section shall apply to the amount carried 659  
forward. 660

(9) Deduct any net profit of a pass-through entity owned 661  
directly or indirectly by the taxpayer and included in the 662  
taxpayer's federal taxable income unless an affiliated group of 663  
corporations includes that net profit in the group's federal 664  
taxable income in accordance with division (E) (3) (b) of section 665  
718.06 of the Revised Code. 666

(10) Add any loss incurred by a pass-through entity owned 667  
directly or indirectly by the taxpayer and included in the 668  
taxpayer's federal taxable income unless an affiliated group of 669  
corporations includes that loss in the group's federal taxable 670  
income in accordance with division (E) (3) (b) of section 718.06 671  
of the Revised Code. 672

If the taxpayer is not a C corporation, is not a 673  
disregarded entity that has made the election described in 674  
division (L) (2) of this section, is not a publicly traded 675  
partnership that has made the election described in division (D) 676  
(4) of this section, and is not an individual, the taxpayer 677  
shall compute adjusted federal taxable income under this section 678  
as if the taxpayer were a C corporation, except guaranteed 679  
payments and other similar amounts paid or accrued to a partner, 680  
former partner, shareholder, former shareholder, member, or 681  
former member shall not be allowed as a deductible expense 682  
unless such payments are in consideration for the use of capital 683  
and treated as payment of interest under section 469 of the 684  
Internal Revenue Code or United States treasury regulations. 685  
Amounts paid or accrued to a qualified self-employed retirement 686  
plan with respect to a partner, former partner, shareholder, 687



former shareholder, member, or former member of the taxpayer, 688  
amounts paid or accrued to or for health insurance for a 689  
partner, former partner, shareholder, former shareholder, 690  
member, or former member, and amounts paid or accrued to or for 691  
life insurance for a partner, former partner, shareholder, 692  
former shareholder, member, or former member shall not be 693  
allowed as a deduction. 694

Nothing in division (E) of this section shall be construed 695  
as allowing the taxpayer to add or deduct any amount more than 696  
once or shall be construed as allowing any taxpayer to deduct 697  
any amount paid to or accrued for purposes of federal self- 698  
employment tax. 699

(F) "Schedule C" means internal revenue service schedule C 700  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 701  
Code. 702

(G) "Schedule E" means internal revenue service schedule E 703  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 704  
Code. 705

(H) "Schedule F" means internal revenue service schedule F 706  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 707  
Code. 708

(I) "Internal Revenue Code" has the same meaning as in 709  
section 5747.01 of the Revised Code. 710

(J) "Resident" means an individual who is domiciled in the 711  
municipal corporation as determined under section 718.012 of the 712  
Revised Code. 713

(K) "Nonresident" means an individual that is not a 714  
resident. 715

(L) (1) "Taxpayer" means a person subject to a tax levied 716  
on income by a municipal corporation in accordance with this 717  
chapter. "Taxpayer" does not include a grantor trust or, except 718  
as provided in division (L) (2) (a) of this section, a disregarded 719  
entity. 720

(2) (a) A single member limited liability company that is a 721  
disregarded entity for federal tax purposes may be a separate 722  
taxpayer from its single member in all Ohio municipal 723  
corporations in which it either filed as a separate taxpayer or 724  
did not file for its taxable year ending in 2003, if all of the 725  
following conditions are met: 726

(i) The limited liability company's single member is also 727  
a limited liability company. 728

(ii) The limited liability company and its single member 729  
were formed and doing business in one or more Ohio municipal 730  
corporations for at least five years before January 1, 2004. 731

(iii) Not later than December 31, 2004, the limited 732  
liability company and its single member each made an election to 733  
be treated as a separate taxpayer under division (L) of this 734  
section as this section existed on December 31, 2004. 735

(iv) The limited liability company was not formed for the 736  
purpose of evading or reducing Ohio municipal corporation income 737  
tax liability of the limited liability company or its single 738  
member. 739

(v) The Ohio municipal corporation that was the primary 740  
place of business of the sole member of the limited liability 741  
company consented to the election. 742

(b) For purposes of division (L) (2) (a) (v) of this section, 743  
a municipal corporation was the primary place of business of a 744

limited liability company if, for the limited liability 745  
company's taxable year ending in 2003, its income tax liability 746  
was greater in that municipal corporation than in any other 747  
municipal corporation in Ohio, and that tax liability to that 748  
municipal corporation for its taxable year ending in 2003 was at 749  
least four hundred thousand dollars. 750

(M) "Person" includes individuals, firms, companies, joint 751  
stock companies, business trusts, estates, trusts, partnerships, 752  
limited liability partnerships, limited liability companies, 753  
associations, C corporations, S corporations, governmental 754  
entities, and any other entity. 755

(N) "Pass-through entity" means a partnership not treated 756  
as an association taxable as a C corporation for federal income 757  
tax purposes, a limited liability company not treated as an 758  
association taxable as a C corporation for federal income tax 759  
purposes, an S corporation, or any other class of entity from 760  
which the income or profits of the entity are given pass-through 761  
treatment for federal income tax purposes. "Pass-through entity" 762  
does not include a trust, estate, grantor of a grantor trust, or 763  
disregarded entity. 764

(O) "S corporation" means a person that has made an 765  
election under subchapter S of Chapter 1 of Subtitle A of the 766  
Internal Revenue Code for its taxable year. 767

(P) "Single member limited liability company" means a 768  
limited liability company that has one direct member. 769

(Q) "Limited liability company" means a limited liability 770  
company formed under Chapter 1705. of the Revised Code or under 771  
the laws of another state. 772

(R) "Qualifying wages" means wages, as defined in section 773

3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	774 775
(1) Deduct the following amounts:	776
(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.	777 778 779
(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.	780 781 782 783
(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, 2016, exempted the amount from withholding and tax.	784 785 786 787 788 789
(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, 2016, exempted the amount from withholding and tax.	790 791 792 793 794 795 796
(e) Any amount included in wages that is exempt income.	797
(2) Add the following amounts:	798
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	799 800
(b) Any amount not included in wages because the amount	801

arises from the sale, exchange, or other disposition of a stock 802  
option, the exercise of a stock option, or the sale, exchange, 803  
or other disposition of stock purchased under a stock option and 804  
the municipal corporation has not, by resolution or ordinance, 805  
exempted the amount from withholding and tax adopted before 806  
January 1, 2016. Division (R) (2) (b) of this section applies only 807  
to those amounts constituting ordinary income. 808

(c) Any amount not included in wages if the amount is an 809  
amount described in section 401(k), 403(b), or 457 of the 810  
Internal Revenue Code. Division (R) (2) (c) of this section 811  
applies only to employee contributions and employee deferrals. 812

(d) Any amount that is supplemental unemployment 813  
compensation benefits described in section 3402(o) (2) of the 814  
Internal Revenue Code and not included in wages. 815

(e) Any amount received that is treated as self-employment 816  
income for federal tax purposes in accordance with section 817  
1402(a) (8) of the Internal Revenue Code. 818

(f) Any amount not included in wages if all of the 819  
following apply: 820

(i) For the taxable year the amount is employee 821  
compensation that is earned outside of the United States and 822  
that either is included in the taxpayer's gross income for 823  
federal income tax purposes or would have been included in the 824  
taxpayer's gross income for such purposes if the taxpayer did 825  
not elect to exclude the income under section 911 of the 826  
Internal Revenue Code; 827

(ii) For no preceding taxable year did the amount 828  
constitute wages as defined in section 3121(a) of the Internal 829  
Revenue Code; 830

(iii) For no succeeding taxable year will the amount 831  
constitute wages; and 832

(iv) For any taxable year the amount has not otherwise 833  
been added to wages pursuant to either division (R) (2) of this 834  
section or section 718.03 of the Revised Code, as that section 835  
existed before the effective date of H.B. 5 of the 130th general 836  
assembly, March 23, 2015. 837

(S) "Intangible income" means income of any of the 838  
following types: income yield, interest, capital gains, 839  
dividends, or other income arising from the ownership, sale, 840  
exchange, or other disposition of intangible property including, 841  
but not limited to, investments, deposits, money, or credits as 842  
those terms are defined in Chapter 5701. of the Revised Code, 843  
and patents, copyrights, trademarks, tradenames, investments in 844  
real estate investment trusts, investments in regulated 845  
investment companies, and appreciation on deferred compensation. 846  
"Intangible income" does not include prizes, awards, or other 847  
income associated with any lottery winnings, gambling winnings, 848  
or other similar games of chance. 849

(T) "Taxable year" means the corresponding tax reporting 850  
period as prescribed for the taxpayer under the Internal Revenue 851  
Code. 852

(U) "Tax administrator" means the individual charged with 853  
direct responsibility for administration of an income tax levied 854  
by a municipal corporation in accordance with this chapter, and 855  
also includes the following: 856

(1) A municipal corporation acting as the agent of another 857  
municipal corporation; 858

(2) A person retained by a municipal corporation to 859

administer a tax levied by the municipal corporation, but only 860  
if the municipal corporation does not compensate the person in 861  
whole or in part on a contingency basis; 862

(3) The central collection agency or the regional income 863  
tax agency or their successors in interest, or another entity 864  
organized to perform functions similar to those performed by the 865  
central collection agency and the regional income tax agency. 866

(V) "Employer" means a person that is an employer for 867  
federal income tax purposes. 868

(W) "Employee" means an individual who is an employee for 869  
federal income tax purposes. 870

(X) "Other payer" means any person, other than an 871  
individual's employer or the employer's agent, that pays an 872  
individual any amount included in the federal gross income of 873  
the individual. "Other payer" includes casino operators and 874  
video lottery terminal sales agents. 875

(Y) "Calendar quarter" means the three-month period ending 876  
on the last day of March, June, September, or December. 877

(Z) "Form 2106" means internal revenue service form 2106 878  
filed by a taxpayer pursuant to the Internal Revenue Code. 879

(AA) "Municipal corporation" includes a joint economic 880  
development district or joint economic development zone that 881  
levies an income tax under section 715.691, 715.70, 715.71, or 882  
715.72 of the Revised Code. 883

(BB) "Disregarded entity" means a single member limited 884  
liability company, a qualifying subchapter S subsidiary, or 885  
another entity if the company, subsidiary, or entity is a 886  
disregarded entity for federal income tax purposes. 887

(CC) "Generic form" means an electronic or paper form that 888  
is not prescribed by a particular municipal corporation and that 889  
is designed for reporting taxes withheld by an employer, agent 890  
of an employer, or other payer, estimated municipal income 891  
taxes, or annual municipal income tax liability or for filing a 892  
refund claim. 893

(DD) "Tax return preparer" means any individual described 894  
in section 7701(a)(36) of the Internal Revenue Code and 26 895  
C.F.R. 301.7701-15. 896

(EE) "Ohio business gateway" means the online computer 897  
network system, created under section 125.30 of the Revised 898  
Code, that allows persons to electronically file business reply 899  
forms with state agencies and includes any successor electronic 900  
filing and payment system. 901

(FF) "Local board of tax review" and "board of tax review" 902  
mean the entity created under section 718.11 of the Revised 903  
Code. 904

(GG) "Net operating loss" means a loss incurred by a 905  
person in the operation of a trade or business. "Net operating 906  
loss" does not include unutilized losses resulting from basis 907  
limitations, at-risk limitations, or passive activity loss 908  
limitations. 909

(HH) "Casino operator" and "casino facility" have the same 910  
meanings as in section 3772.01 of the Revised Code. 911

(II) "Video lottery terminal" has the same meaning as in 912  
section 3770.21 of the Revised Code. 913

(JJ) "Video lottery terminal sales agent" means a lottery 914  
sales agent licensed under Chapter 3770. of the Revised Code to 915  
conduct video lottery terminals on behalf of the state pursuant 916



to section 3770.21 of the Revised Code.	917
(KK) "Postal service" means the United States postal service.	918 919
(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.	920 921 922 923
(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B) (3) of section 5703.056 of the Revised Code.	924 925 926 927
(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.	928 929 930 931 932 933 934 935 936 937
(OO) "Related entity" means any of the following:	938
(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;	939 940 941 942 943 944
(2) A stockholder, or a stockholder's partnership, estate,	945

trust, or corporation, if the stockholder and the stockholder's 946  
partnerships, estates, trusts, or corporations own directly, 947  
indirectly, beneficially, or constructively, in the aggregate, 948  
at least fifty per cent of the value of the taxpayer's 949  
outstanding stock; 950

(3) A corporation, or a party related to the corporation 951  
in a manner that would require an attribution of stock from the 952  
corporation to the party or from the party to the corporation 953  
under division (00) (4) of this section, provided the taxpayer 954  
owns directly, indirectly, beneficially, or constructively, at 955  
least fifty per cent of the value of the corporation's 956  
outstanding stock; 957

(4) The attribution rules described in section 318 of the 958  
Internal Revenue Code apply for the purpose of determining 959  
whether the ownership requirements in divisions (00) (1) to (3) 960  
of this section have been met. 961

(PP) (1) "Assessment" means a written finding by the tax 962  
administrator that a person has underpaid municipal income tax, 963  
or owes penalty and interest, or any combination of tax, 964  
penalty, or interest, to the municipal corporation that 965  
commences the person's time limitation for making an appeal to 966  
the local board of tax review pursuant to section 718.11 of the 967  
Revised Code, and has "ASSESSMENT" written in all capital 968  
letters at the top of such finding. 969

(2) "Assessment" does not include an informal notice 970  
denying a request for refund issued under division (B) (3) of 971  
section 718.19 of the Revised Code, a billing statement 972  
notifying a taxpayer of current or past-due balances owed to the 973  
municipal corporation, a tax administrator's request for 974  
additional information, a notification to the taxpayer of 975

mathematical errors, or a tax administrator's other written 976  
correspondence to a person or taxpayer that does meet the 977  
criteria prescribed by division (PP)(1) of this section. 978

(QQ) "Taxpayers' rights and responsibilities" means the 979  
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 980  
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 981  
Revised Code and the responsibilities of taxpayers to file, 982  
report, withhold, remit, and pay municipal income tax and 983  
otherwise comply with Chapter 718. of the Revised Code and 984  
resolutions, ordinances, and rules adopted by a municipal 985  
corporation for the imposition and administration of a municipal 986  
income tax. 987

(RR) "Qualified municipal corporation" means a municipal 988  
corporation that, by resolution or ordinance adopted on or 989  
before December 31, 2011, adopted Ohio adjusted gross income, as 990  
defined by section 5747.01 of the Revised Code, as the income 991  
subject to tax for the purposes of imposing a municipal income 992  
tax. 993

(SS) (1) "Pre-2017 net operating loss carryforward" means 994  
any net operating loss incurred in a taxable year beginning 995  
before January 1, 2017, to the extent such loss was permitted, 996  
by a resolution or ordinance of the municipal corporation that 997  
was adopted by the municipal corporation before January 1, 2016, 998  
to be carried forward and utilized to offset income or net 999  
profit generated in such municipal corporation in future taxable 1000  
years. 1001

(2) For the purpose of calculating municipal taxable 1002  
income, any pre-2017 net operating loss carryforward may be 1003  
carried forward to any taxable year, including taxable years 1004  
beginning in 2017 or thereafter, for the number of taxable years 1005

provided in the resolution or ordinance or until fully utilized, 1006  
whichever is earlier. 1007

(TT) "Small employer" means any employer that had total 1008  
revenue of less than five hundred thousand dollars during the 1009  
preceding taxable year. For purposes of this division, "total 1010  
revenue" means receipts of any type or kind, including, but not 1011  
limited to, sales receipts; payments; rents; profits; gains, 1012  
dividends, and other investment income; compensation; 1013  
commissions; premiums; money; property; grants; contributions; 1014  
donations; gifts; program service revenue; patient service 1015  
revenue; premiums; fees, including premium fees and service 1016  
fees; tuition payments; unrelated business revenue; 1017  
reimbursements; any type of payment from a governmental unit, 1018  
including grants and other allocations; and any other similar 1019  
receipts reported for federal income tax purposes or under 1020  
generally accepted accounting principles. "Small employer" does 1021  
not include the federal government; any state government, 1022  
including any state agency or instrumentality; any political 1023  
subdivision; or any entity treated as a government for financial 1024  
accounting and reporting purposes. 1025

(UU) "Audit" means the examination of a person or the 1026  
inspection of the books, records, memoranda, or accounts of a 1027  
person for the purpose of determining liability for a municipal 1028  
income tax. 1029

(VV) "Publicly traded partnership" means any partnership, 1030  
an interest in which is regularly traded on an established 1031  
securities market. A "publicly traded partnership" may have any 1032  
number of partners. 1033

(WW) "Out-of-state disaster business," "qualifying 1034  
solicitation," "qualifying employee," "disaster work," "critical 1035

infrastructure," and "disaster response period" have the same 1036  
meanings as in section 5703.94 of the Revised Code. 1037

**Sec. 718.05.** (A) An annual return with respect to the 1038  
income tax levied by a municipal corporation shall be completed 1039  
and filed by every taxpayer for any taxable year for which the 1040  
taxpayer is liable for the tax. If the total credit allowed 1041  
against the tax as described in division (D) of section 718.04 1042  
of the Revised Code for the year is equal to or exceeds the tax 1043  
imposed by the municipal corporation, no return shall be 1044  
required unless the municipal ordinance or resolution levying 1045  
the tax requires the filing of a return in such circumstances. 1046

(B) If an individual is deceased, any return or notice 1047  
required of that individual shall be completed and filed by that 1048  
decedent's executor, administrator, or other person charged with 1049  
the property of that decedent. 1050

(C) If an individual is unable to complete and file a 1051  
return or notice required by a municipal corporation in 1052  
accordance with this chapter, the return or notice required of 1053  
that individual shall be completed and filed by the individual's 1054  
duly authorized agent, guardian, conservator, fiduciary, or 1055  
other person charged with the care of the person or property of 1056  
that individual. 1057

(D) Returns or notices required of an estate or a trust 1058  
shall be completed and filed by the fiduciary of the estate or 1059  
trust. 1060

(E) No municipal corporation shall deny spouses the 1061  
ability to file a joint return. 1062

(F) (1) Each return required to be filed under this section 1063  
shall contain the signature of the taxpayer or the taxpayer's 1064

duly authorized agent and of the person who prepared the return 1065  
for the taxpayer, and shall include the taxpayer's social 1066  
security number or taxpayer identification number. Each return 1067  
shall be verified by a declaration under penalty of perjury. 1068

(2) A tax administrator may require a taxpayer who is an 1069  
individual to include, with each annual return, amended return, 1070  
or request for refund required under this section, copies of 1071  
only the following documents: all of the taxpayer's Internal 1072  
Revenue Service form W-2, "Wage and Tax Statements," including 1073  
all information reported on the taxpayer's federal W-2, as well 1074  
as taxable wages reported or withheld for any municipal 1075  
corporation; the taxpayer's Internal Revenue Service form 1040 1076  
or, in the case of a return or request required by a qualified 1077  
municipal corporation, Ohio form IT-1040; and, with respect to 1078  
an amended tax return or refund request, any other documentation 1079  
necessary to support the refund request or the adjustments made 1080  
in the amended return. An individual taxpayer who files the 1081  
annual return required by this section electronically is not 1082  
required to provide paper copies of any of the foregoing to the 1083  
tax administrator unless the tax administrator requests such 1084  
copies after the return has been filed. 1085

(3) A tax administrator may require a taxpayer that is not 1086  
an individual to include, with each annual net profit return, 1087  
amended net profit return, or request for refund required under 1088  
this section, copies of only the following documents: the 1089  
taxpayer's Internal Revenue Service form 1041, form 1065, form 1090  
1120, form 1120-REIT, form 1120F, or form 1120S, and, with 1091  
respect to an amended tax return or refund request, any other 1092  
documentation necessary to support the refund request or the 1093  
adjustments made in the amended return. 1094

A taxpayer that is not an individual and that files an annual net profit return electronically through the Ohio business gateway or in some other manner shall either mail the documents required under this division to the tax administrator at the time of filing or, if electronic submission is available, submit the documents electronically through the Ohio business gateway. The department of taxation shall publish a method of electronically submitting the documents required under this division through the Ohio business gateway on or before January 1, 2016. The department shall transmit all documents submitted electronically under this division to the appropriate tax administrator.

(4) After a taxpayer files a tax return, the tax administrator may request, and the taxpayer shall provide, any information, statements, or documents required by the municipal corporation to determine and verify the taxpayer's municipal income tax liability. The requirements imposed under division (F) of this section apply regardless of whether the taxpayer files on a generic form or on a form prescribed by the tax administrator.

(G) (1) (a) Except as otherwise provided in this chapter, each individual income tax return required to be filed under this section shall be completed and filed as required by the tax administrator on or before the date prescribed for the filing of state individual income tax returns under division (G) of section 5747.08 of the Revised Code. The taxpayer shall complete and file the return or notice on forms prescribed by the tax administrator or on generic forms, together with remittance made payable to the municipal corporation or tax administrator. No remittance is required if the amount shown to be due is ten dollars or less. A municipal corporation shall not require a

qualifying employee whose income consists exclusively of exempt 1126  
income described in division (C) (19) (b) or (c) of section 718.01 1127  
of the Revised Code to file a return under this section. 1128

(b) Except as otherwise provided in this chapter, each 1129  
annual net profit return required to be filed under this section 1130  
by a taxpayer that is not an individual shall be completed and 1131  
filed as required by the tax administrator on or before the 1132  
fifteenth day of the fourth month following the end of the 1133  
taxpayer's taxable year. The taxpayer shall complete and file 1134  
the return or notice on forms prescribed by the tax 1135  
administrator or on generic forms, together with remittance made 1136  
payable to the municipal corporation or tax administrator. No 1137  
remittance is required if the amount shown to be due is ten 1138  
dollars or less. 1139

(2) (a) Any taxpayer that has duly requested an automatic 1140  
six-month extension for filing the taxpayer's federal income tax 1141  
return shall automatically receive an extension for the filing 1142  
of a municipal income tax return. The extended due date of the 1143  
municipal income tax return shall be the fifteenth day of the 1144  
tenth month after the last day of the taxable year to which the 1145  
return relates. 1146

(b) A taxpayer that has not requested or received a six- 1147  
month extension for filing the taxpayer's federal income tax 1148  
return may request that the tax administrator grant the taxpayer 1149  
a six-month extension of the date for filing the taxpayer's 1150  
municipal income tax return. If the request is received by the 1151  
tax administrator on or before the date the municipal income tax 1152  
return is due, the tax administrator shall grant the taxpayer's 1153  
requested extension. 1154

(c) An extension of time to file under division (G) (2) of 1155



this section is not an extension of the time to pay any tax due 1156  
unless the tax administrator grants an extension of that date. 1157

(3) If the tax commissioner extends for all taxpayers the 1158  
date for filing state income tax returns under division (G) of 1159  
section 5747.08 of the Revised Code, a taxpayer shall 1160  
automatically receive an extension for the filing of a municipal 1161  
income tax return. The extended due date of the municipal income 1162  
tax return shall be the same as the extended due date of the 1163  
state income tax return. 1164

(4) If the tax administrator considers it necessary in 1165  
order to ensure the payment of the tax imposed by the municipal 1166  
corporation in accordance with this chapter, the tax 1167  
administrator may require taxpayers to file returns and make 1168  
payments otherwise than as provided in this section, including 1169  
taxpayers not otherwise required to file annual returns. 1170

(5) To the extent that any provision in this division 1171  
conflicts with any provision in section 718.052 of the Revised 1172  
Code, the provision in that section prevails. 1173

(H) (1) For taxable years beginning after 2015, a municipal 1174  
corporation shall not require a taxpayer to remit tax with 1175  
respect to net profits if the amount due is less than ten 1176  
dollars. 1177

(2) Any-Except as provided in division (H) (3) of this 1178  
section, any taxpayer not required to remit tax to a municipal 1179  
corporation for a taxable year pursuant to division (H) (1) of 1180  
this section shall file with the municipal corporation an annual 1181  
net profit return under division (F) (3) of this section. 1182

(3) A municipal corporation shall not require a person to 1183  
file a net profit return under this section if the person's 1184

income consists exclusively of exempt income described in 1185  
division (C) (19) (a) of section 718.01 of the Revised Code. 1186

(I) (1) If any report, claim, statement, or other document 1187  
required to be filed, or any payment required to be made, within 1188  
a prescribed period or on or before a prescribed date under this 1189  
chapter is delivered after that period or that date by United 1190  
States mail to the tax administrator or other municipal official 1191  
with which the report, claim, statement, or other document is 1192  
required to be filed, or to which the payment is required to be 1193  
made, the date of the postmark stamped on the cover in which the 1194  
report, claim, statement, or other document, or payment is 1195  
mailed shall be deemed to be the date of delivery or the date of 1196  
payment. "The date of postmark" means, in the event there is 1197  
more than one date on the cover, the earliest date imprinted on 1198  
the cover by the postal service. 1199

(2) If a payment under this chapter is made by electronic 1200  
funds transfer, the payment shall be considered to be made on 1201  
the date of the timestamp assigned by the first electronic 1202  
system receiving that payment. 1203

(J) The amounts withheld by an employer, the agent of an 1204  
employer, or an other payer as described in section 718.03 of 1205  
the Revised Code shall be allowed to the recipient of the 1206  
compensation as credits against payment of the tax imposed on 1207  
the recipient by the municipal corporation, unless the amounts 1208  
withheld were not remitted to the municipal corporation and the 1209  
recipient colluded with the employer, agent, or other payer in 1210  
connection with the failure to remit the amounts withheld. 1211

(K) Each return required by a municipal corporation to be 1212  
filed in accordance with this section shall include a box that 1213  
the taxpayer may check to authorize another person, including a 1214

tax return preparer who prepared the return, to communicate with 1215  
the tax administrator about matters pertaining to the return. 1216  
The return or instructions accompanying the return shall 1217  
indicate that by checking the box the taxpayer authorizes the 1218  
tax administrator to contact the preparer or other person 1219  
concerning questions that arise during the examination or other 1220  
review of the return and authorizes the preparer or other person 1221  
only to provide the tax administrator with information that is 1222  
missing from the return, to contact the tax administrator for 1223  
information about the examination or other review of the return 1224  
or the status of the taxpayer's refund or payments, and to 1225  
respond to notices about mathematical errors, offsets, or return 1226  
preparation that the taxpayer has received from the tax 1227  
administrator and has shown to the preparer or other person. 1228

(L) The tax administrator of a municipal corporation shall 1229  
accept for filing a generic form of any income tax return, 1230  
report, or document required by the municipal corporation in 1231  
accordance with this chapter, provided that the generic form, 1232  
once completed and filed, contains all of the information 1233  
required by ordinance, resolution, or rules adopted by the 1234  
municipal corporation or tax administrator, and provided that 1235  
the taxpayer or tax return preparer filing the generic form 1236  
otherwise complies with the provisions of this chapter and of 1237  
the municipal corporation ordinance or resolution governing the 1238  
filing of returns, reports, or documents. 1239

(M) When income tax returns, reports, or other documents 1240  
require the signature of a tax return preparer, the tax 1241  
administrator shall accept a facsimile of such a signature in 1242  
lieu of a manual signature. 1243

(N) (1) As used in this division, "worksite location" has 1244

the same meaning as in section 718.011 of the Revised Code. 1245

(2) A person may notify a tax administrator that the 1246  
person does not expect to be a taxpayer with respect to the 1247  
municipal corporation for a taxable year if both of the 1248  
following conditions apply: 1249

(a) The person was required to file a tax return with the 1250  
municipal corporation for the immediately preceding taxable year 1251  
because the person performed services at a worksite location 1252  
within that municipal corporation. 1253

(b) The person no longer provides services in the 1254  
municipal corporation and does not expect to be subject to the 1255  
municipal corporation's income tax for the taxable year. 1256

The person shall provide the notice in a signed affidavit 1257  
that briefly explains the person's circumstances, including the 1258  
location of the previous worksite location and the last date on 1259  
which the person performed services or made any sales within the 1260  
municipal corporation. The affidavit also shall include the 1261  
following statement: "The affiant has no plans to perform any 1262  
services within the municipal corporation, make any sales in the 1263  
municipal corporation, or otherwise become subject to the tax 1264  
levied by the municipal corporation during the taxable year. If 1265  
the affiant does become subject to the tax levied by the 1266  
municipal corporation for the taxable year, the affiant agrees 1267  
to be considered a taxpayer and to properly register as a 1268  
taxpayer with the municipal corporation if such a registration 1269  
is required by the municipal corporation's resolutions, 1270  
ordinances, or rules." The person shall sign the affidavit under 1271  
penalty of perjury. 1272

(c) If a person submits an affidavit described in division 1273

(N) (2) of this section, the tax administrator shall not require 1274  
the person to file any tax return for the taxable year unless 1275  
the tax administrator possesses information that conflicts with 1276  
the affidavit or if the circumstances described in the affidavit 1277  
change. Nothing in division (N) of this section prohibits the 1278  
tax administrator from performing an audit of the person. 1279

**Sec. 1329.01.** (A) As used in sections 1329.01 to 1329.10 1280  
of the Revised Code: 1281

(1) "Trade name" means a name used in business or trade to 1282  
designate the business of the user and to which the user asserts 1283  
a right to exclusive use. 1284

(2) "Fictitious name" means a name used in business or 1285  
trade that is fictitious and that the user has not registered or 1286  
is not entitled to register as a trade name. It does not include 1287  
the name of record of any domestic corporation that is formed 1288  
under Chapter 1701. or 1702. of the Revised Code, any foreign 1289  
corporation that is registered pursuant to Chapter 1703. of the 1290  
Revised Code, any domestic or foreign limited liability company 1291  
that is formed under or registered pursuant to Chapter 1705. of 1292  
the Revised Code, any domestic or foreign limited partnership 1293  
that is formed under or registered pursuant to Chapter 1782. of 1294  
the Revised Code, or any domestic or foreign limited liability 1295  
partnership that is formed under or registered pursuant to 1296  
Chapter 1775. or 1776. of the Revised Code. 1297

(3) "Person" includes any individual, general partnership, 1298  
limited partnership, limited liability partnership, corporation, 1299  
association, professional association, limited liability 1300  
company, society, foundation, federation, or organization formed 1301  
under the laws of this state or any other state. 1302

(B) ~~Subject~~ Except as provided in section 1701.041 of the 1303  
Revised Code and subject to sections 1329.01 to 1329.10 of the 1304  
Revised Code, any person may register with the secretary of 1305  
state, on a form prescribed by the secretary of state, any trade 1306  
name under which the person is operating, setting forth all of 1307  
the following: 1308

(1) The name and business address of the applicant for 1309  
registration and any of the following that is applicable: 1310

(a) If the applicant is a general partnership, the name 1311  
and address of at least one partner or the identifying number 1312  
the secretary of state assigns to the partnership pursuant to 1313  
section 1776.05 of the Revised Code; 1314

(b) If the applicant is a limited partnership, a 1315  
corporation, professional association, limited liability 1316  
company, or other entity, the form of the entity and the state 1317  
under the laws of which it was formed. 1318

(2) The trade name to be registered; 1319

(3) The general nature of the business conducted by the 1320  
applicant; 1321

(4) The length of time during which the trade name has 1322  
been used by the applicant in business operations in this state. 1323

(C) The trade name application shall be signed by the 1324  
applicant or by any authorized representative of the applicant. 1325

A single trade name may be registered upon each trade name 1326  
application submitted under sections 1329.01 to 1329.10 of the 1327  
Revised Code. 1328

The trade name application shall be accompanied by a 1329  
filing fee of thirty-nine dollars, payable to the secretary of 1330

state. 1331

(D) Any person who does business under a fictitious name 1332  
and who has not registered and does not wish to register the 1333  
fictitious name as a trade name or who cannot do so because the 1334  
name is not available for registration shall report the use of 1335  
the fictitious name to the secretary of state, on a form 1336  
prescribed by the secretary of state, setting forth all of the 1337  
following: 1338

(1) The name and business address of the user and any of 1339  
the following that is applicable: 1340

(a) If the user is a general partnership, the name and 1341  
address of at least one partner or the identifying number the 1342  
secretary of state assigns to the partnership pursuant to 1343  
section 1775.105 of the Revised Code; 1344

(b) If the user is a limited partnership, a corporation, 1345  
professional association, limited liability company, or other 1346  
entity, the form of the entity and the state under whose laws it 1347  
was formed. 1348

(2) The fictitious name being used; 1349

(3) The general nature of the business conducted by the 1350  
user. 1351

(E) The report of use of a fictitious name shall be signed 1352  
by the user or by any authorized representative of the user. 1353

A single fictitious name may be registered upon each 1354  
fictitious name report submitted under sections 1329.01 to 1355  
1329.10 of the Revised Code. 1356

The fictitious name report shall be accompanied by a 1357  
filing fee of thirty-nine dollars, payable to the secretary of 1358

state. 1359

A report under this division shall be made within thirty 1360  
days after the date of the first use of the fictitious name. 1361

**Sec. 1701.041.** (A) As used in this section, "critical 1362  
infrastructure," "disaster response period," "disaster work," 1363  
and "qualifying employee" have the same meanings as in section 1364  
5703.94 of the Revised Code. 1365

(B) No person shall be required to file articles of 1366  
incorporation or any other documents or applications with the 1367  
secretary of state as established in sections 111.16, 1329.01, 1368  
1701.04, or elsewhere in the Revised Code or otherwise comply 1369  
with the requirements of Title XVII of the Revised Code as a 1370  
condition precedent to engaging in business in this state for 1371  
any of the following activities: 1372

(1) Disaster work performed in this state by an out-of- 1373  
state disaster business during a disaster response period 1374  
pursuant to a qualifying solicitation received by the business; 1375

(2) Disaster work performed in this state by a qualifying 1376  
employee described in division (A) (14) (a) of section 5703.94 of 1377  
the Revised Code during a disaster response period pursuant to a 1378  
qualifying solicitation received by the employee's employer; 1379

(3) Disaster work performed in this state by a qualifying 1380  
employee described in division (A) (14) (b) of section 5703.94 of 1381  
the Revised Code during a disaster response period on critical 1382  
infrastructure owned or used by the employee's employer. 1383

**Sec. 4123.01.** As used in this chapter: 1384

(A) (1) "Employee" means: 1385

(a) Every person in the service of the state, or of any 1386



county, municipal corporation, township, or school district 1387  
therein, including regular members of lawfully constituted 1388  
police and fire departments of municipal corporations and 1389  
townships, whether paid or volunteer, and wherever serving 1390  
within the state or on temporary assignment outside thereof, and 1391  
executive officers of boards of education, under any appointment 1392  
or contract of hire, express or implied, oral or written, 1393  
including any elected official of the state, or of any county, 1394  
municipal corporation, or township, or members of boards of 1395  
education. 1396

As used in division (A) (1) (a) of this section, the term 1397  
"employee" includes the following persons when responding to an 1398  
inherently dangerous situation that calls for an immediate 1399  
response on the part of the person, regardless of whether the 1400  
person is within the limits of the jurisdiction of the person's 1401  
regular employment or voluntary service when responding, on the 1402  
condition that the person responds to the situation as the 1403  
person otherwise would if the person were on duty in the 1404  
person's jurisdiction: 1405

(i) Off-duty peace officers. As used in division (A) (1) (a) 1406  
(i) of this section, "peace officer" has the same meaning as in 1407  
section 2935.01 of the Revised Code. 1408

(ii) Off-duty firefighters, whether paid or volunteer, of 1409  
a lawfully constituted fire department. 1410

(iii) Off-duty first responders, emergency medical 1411  
technicians-basic, emergency medical technicians-intermediate, 1412  
or emergency medical technicians-paramedic, whether paid or 1413  
volunteer, of an ambulance service organization or emergency 1414  
medical service organization pursuant to Chapter 4765. of the 1415  
Revised Code. 1416

(b) Every person in the service of any person, firm, or private corporation, including any public service corporation, that (i) employs one or more persons regularly in the same business or in or about the same establishment under any contract of hire, express or implied, oral or written, including aliens and minors, household workers who earn one hundred sixty dollars or more in cash in any calendar quarter from a single household and casual workers who earn one hundred sixty dollars or more in cash in any calendar quarter from a single employer, or (ii) is bound by any such contract of hire or by any other written contract, to pay into the state insurance fund the premiums provided by this chapter.

(c) Every person who performs labor or provides services pursuant to a construction contract, as defined in section 4123.79 of the Revised Code, if at least ten of the following criteria apply:

(i) The person is required to comply with instructions from the other contracting party regarding the manner or method of performing services;

(ii) The person is required by the other contracting party to have particular training;

(iii) The person's services are integrated into the regular functioning of the other contracting party;

(iv) The person is required to perform the work personally;

(v) The person is hired, supervised, or paid by the other contracting party;

(vi) A continuing relationship exists between the person and the other contracting party that contemplates continuing or

recurring work even if the work is not full time;	1446
(vii) The person's hours of work are established by the other contracting party;	1447 1448
(viii) The person is required to devote full time to the business of the other contracting party;	1449 1450
(ix) The person is required to perform the work on the premises of the other contracting party;	1451 1452
(x) The person is required to follow the order of work set by the other contracting party;	1453 1454
(xi) The person is required to make oral or written reports of progress to the other contracting party;	1455 1456
(xii) The person is paid for services on a regular basis such as hourly, weekly, or monthly;	1457 1458
(xiii) The person's expenses are paid for by the other contracting party;	1459 1460
(xiv) The person's tools and materials are furnished by the other contracting party;	1461 1462
(xv) The person is provided with the facilities used to perform services;	1463 1464
(xvi) The person does not realize a profit or suffer a loss as a result of the services provided;	1465 1466
(xvii) The person is not performing services for a number of employers at the same time;	1467 1468
(xviii) The person does not make the same services available to the general public;	1469 1470
(xix) The other contracting party has a right to discharge	1471

the person; 1472

(xx) The person has the right to end the relationship with 1473  
the other contracting party without incurring liability pursuant 1474  
to an employment contract or agreement. 1475

Every person in the service of any independent contractor 1476  
or subcontractor who has failed to pay into the state insurance 1477  
fund the amount of premium determined and fixed by the 1478  
administrator of workers' compensation for the person's 1479  
employment or occupation or if a self-insuring employer has 1480  
failed to pay compensation and benefits directly to the 1481  
employer's injured and to the dependents of the employer's 1482  
killed employees as required by section 4123.35 of the Revised 1483  
Code, shall be considered as the employee of the person who has 1484  
entered into a contract, whether written or verbal, with such 1485  
independent contractor unless such employees or their legal 1486  
representatives or beneficiaries elect, after injury or death, 1487  
to regard such independent contractor as the employer. 1488

(2) "Employee" does not mean any of the following: 1489

(a) A duly ordained, commissioned, or licensed minister or 1490  
assistant or associate minister of a church in the exercise of 1491  
ministry; 1492

(b) Any officer of a family farm corporation; 1493

(c) An individual incorporated as a corporation; 1494

(d) An officer of a nonprofit corporation, as defined in 1495  
section 1702.01 of the Revised Code, who volunteers the person's 1496  
services as a an officer; 1497

(e) An individual who otherwise is an employee of an 1498  
employer but who signs the waiver and affidavit specified in 1499

section 4123.15 of the Revised Code on the condition that the administrator has granted a waiver and exception to the individual's employer under section 4123.15 of the Revised Code;

(f) (i) A qualifying employee described in division (A) (14) (a) of section 5703.94 of the Revised Code when the qualifying employee is performing disaster work in this state during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(ii) A qualifying employee described in division (A) (14) (b) of section 5703.94 of the Revised Code when the qualifying employee is performing disaster work in this state during a disaster response period on critical infrastructure owned or used by the employee's employer;

(iii) As used in division (A) (2) (f) of this section, "critical infrastructure," "disaster response period," "disaster work," and "qualifying employee" have the same meanings as in section 5703.94 of the Revised Code.

Any employer may elect to include as an "employee" within this chapter, any person excluded from the definition of "employee" pursuant to division (A) (2) (a), (b), (c), or (e) of this section in accordance with rules adopted by the administrator, with the advice and consent of the bureau of workers' compensation board of directors. If an employer is a partnership, sole proprietorship, individual incorporated as a corporation, or family farm corporation, such employer may elect to include as an "employee" within this chapter, any member of such partnership, the owner of the sole proprietorship, the individual incorporated as a corporation, or the officers of the family farm corporation. Nothing in this section shall prohibit a partner, sole proprietor, or any person excluded from the

definition of "employee" pursuant to division (A)(2)(a), (b), 1530  
(c), or (e) of this section from electing to be included as an 1531  
"employee" under this chapter in accordance with rules adopted 1532  
by the administrator, with the advice and consent of the board. 1533

In the event of an election, the employer or person 1534  
electing coverage shall serve upon the bureau of workers' 1535  
compensation written notice naming the person to be covered and 1536  
include the person's remuneration for premium purposes in all 1537  
future payroll reports. No partner, sole proprietor, or person 1538  
excluded from the definition of "employee" pursuant to division 1539  
(A)(2)(a), (b), (c), or (e) of this section, shall receive 1540  
benefits or compensation under this chapter until the bureau 1541  
receives written notice of the election permitted by this 1542  
section. 1543

For informational purposes only, the bureau shall 1544  
prescribe such language as it considers appropriate, on such of 1545  
its forms as it considers appropriate, to advise employers of 1546  
their right to elect to include as an "employee" within this 1547  
chapter a sole proprietor, any member of a partnership, or a 1548  
person excluded from the definition of "employee" under division 1549  
(A)(2)(a), (b), (c), or (e) of this section, that they should 1550  
check any health and disability insurance policy, or other form 1551  
of health and disability plan or contract, presently covering 1552  
them, or the purchase of which they may be considering, to 1553  
determine whether such policy, plan, or contract excludes 1554  
benefits for illness or injury that they might have elected to 1555  
have covered by workers' compensation. 1556

(B) "Employer" means: 1557

(1) The state, including state hospitals, each county, 1558  
municipal corporation, township, school district, and hospital 1559

owned by a political subdivision or subdivisions other than the 1560  
state; 1561

(2) Every person, firm, professional employer 1562  
organization, and private corporation, including any public 1563  
service corporation, that (a) has in service one or more 1564  
employees or shared employees regularly in the same business or 1565  
in or about the same establishment under any contract of hire, 1566  
express or implied, oral or written, or (b) is bound by any such 1567  
contract of hire or by any other written contract, to pay into 1568  
the insurance fund the premiums provided by this chapter. 1569

All such employers are subject to this chapter. Any member 1570  
of a firm or association, who regularly performs manual labor in 1571  
or about a mine, factory, or other establishment, including a 1572  
household establishment, shall be considered an employee in 1573  
determining whether such person, firm, or private corporation, 1574  
or public service corporation, has in its service, one or more 1575  
employees and the employer shall report the income derived from 1576  
such labor to the bureau as part of the payroll of such 1577  
employer, and such member shall thereupon be entitled to all the 1578  
benefits of an employee. 1579

(C) "Injury" includes any injury, whether caused by 1580  
external accidental means or accidental in character and result, 1581  
received in the course of, and arising out of, the injured 1582  
employee's employment. "Injury" does not include: 1583

(1) Psychiatric conditions except where the claimant's 1584  
psychiatric conditions have arisen from an injury or 1585  
occupational disease sustained by that claimant or where the 1586  
claimant's psychiatric conditions have arisen from sexual 1587  
conduct in which the claimant was forced by threat of physical 1588  
harm to engage or participate; 1589

(2) Injury or disability caused primarily by the natural deterioration of tissue, an organ, or part of the body;	1590 1591
(3) Injury or disability incurred in voluntary participation in an employer-sponsored recreation or fitness activity if the employee signs a waiver of the employee's right to compensation or benefits under this chapter prior to engaging in the recreation or fitness activity;	1592 1593 1594 1595 1596
(4) A condition that pre-existed an injury unless that pre-existing condition is substantially aggravated by the injury. Such a substantial aggravation must be documented by objective diagnostic findings, objective clinical findings, or objective test results. Subjective complaints may be evidence of such a substantial aggravation. However, subjective complaints without objective diagnostic findings, objective clinical findings, or objective test results are insufficient to substantiate a substantial aggravation.	1597 1598 1599 1600 1601 1602 1603 1604 1605
(D) "Child" includes a posthumous child and a child legally adopted prior to the injury.	1606 1607
(E) "Family farm corporation" means a corporation founded for the purpose of farming agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouse of persons related to each other within the fourth degree of kinship, according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of whose stockholders are a corporation. A family farm corporation does not cease to qualify under this division where, by reason of any devise, bequest, or the operation of the laws of descent or distribution, the ownership of shares of voting stock is transferred to another person, as long as that person is within	1608 1609 1610 1611 1612 1613 1614 1615 1616 1617 1618 1619



the degree of kinship stipulated in this division. 1620

(F) "Occupational disease" means a disease contracted in 1621  
the course of employment, which by its causes and the 1622  
characteristics of its manifestation or the condition of the 1623  
employment results in a hazard which distinguishes the 1624  
employment in character from employment generally, and the 1625  
employment creates a risk of contracting the disease in greater 1626  
degree and in a different manner from the public in general. 1627

(G) "Self-insuring employer" means an employer who is 1628  
granted the privilege of paying compensation and benefits 1629  
directly under section 4123.35 of the Revised Code, including a 1630  
board of county commissioners for the sole purpose of 1631  
constructing a sports facility as defined in section 307.696 of 1632  
the Revised Code, provided that the electors of the county in 1633  
which the sports facility is to be built have approved 1634  
construction of a sports facility by ballot election no later 1635  
than November 6, 1997. 1636

(H) "Private employer" means an employer as defined in 1637  
division (B)(2) of this section. 1638

(I) "Professional employer organization" has the same 1639  
meaning as in section 4125.01 of the Revised Code. 1640

(J) "Public employer" means an employer as defined in 1641  
division (B)(1) of this section. 1642

(K) "Sexual conduct" means vaginal intercourse between a 1643  
male and female; anal intercourse, fellatio, and cunnilingus 1644  
between persons regardless of gender; and, without privilege to 1645  
do so, the insertion, however slight, of any part of the body or 1646  
any instrument, apparatus, or other object into the vaginal or 1647  
anal cavity of another. Penetration, however slight, is 1648

sufficient to complete vaginal or anal intercourse. 1649

(L) "Other-states' insurer" means an insurance company 1650  
that is authorized to provide workers' compensation insurance 1651  
coverage in any of the states that permit employers to obtain 1652  
insurance for workers' compensation claims through insurance 1653  
companies. 1654

(M) "Other-states' coverage" means both of the following: 1655

(1) Insurance coverage secured by an eligible employer for 1656  
workers' compensation claims of employees who are in employment 1657  
relationships localized in a state other than this state or 1658  
those employees' dependents; 1659

(2) Insurance coverage secured by an eligible employer for 1660  
workers' compensation claims that arise in a state other than 1661  
this state where an employer elects to obtain coverage through 1662  
either the administrator or an other-states' insurer. 1663

(N) "Limited other-states coverage" means insurance 1664  
coverage provided by the administrator to an eligible employer 1665  
for workers' compensation claims of employees who are in an 1666  
employment relationship localized in this state but are 1667  
temporarily working in a state other than this state, or those 1668  
employees' dependents. 1669

**Sec. 4141.42.** (A) As used in this section, "critical 1670  
infrastructure," "disaster response period," "disaster work," 1671  
and "qualifying employee" have the same meanings as in section 1672  
5703.94 of the Revised Code. 1673

(B) The director of job and family services may enter into 1674  
reciprocal agreements with departments charged with the 1675  
administration of the unemployment compensation law of any other 1676  
state or the United States or Canada for the purpose of 1677

determining and placing the liability of an employer for the 1678  
payment of contributions for services rendered within this state 1679  
or such other jurisdiction, or both, and to provide that the 1680  
jurisdiction authorized to collect the contributions shall 1681  
determine the benefit rights which may arise in connection with 1682  
such services and assume the liability for the payment of the 1683  
benefits. 1684

(C) An agreement described in division (B) of this section 1685  
shall provide that an employer is not liable for disaster work 1686  
performed in this state during a disaster response period by 1687  
either of the following: 1688

(1) A qualifying employee described in division (A) (14) (a) 1689  
of section 5703.94 of the Revised Code, when the disaster work 1690  
is performed pursuant to a qualifying solicitation received by 1691  
the employee's employer; 1692

(2) A qualifying employee described in division (A) (14) (b) 1693  
of section 5703.94 of the Revised Code, when the disaster work 1694  
is performed on critical infrastructure owned or used by the 1695  
employee's employer. 1696

**Sec. 4799.04.** (A) As used in this section, "critical 1697  
infrastructure," "disaster response period," "disaster work," 1698  
"out-of-state disaster business," and "qualifying employee" have 1699  
the same meanings as in section 5703.94 of the Revised Code. 1700

(B) No out-of-state disaster business or qualifying 1701  
employee shall be required to obtain a state or local license or 1702  
other authorization to engage in an occupation in this state for 1703  
an activity for which a license or other authorization is 1704  
required under Title XLVII of the Revised Code, local ordinance, 1705  
or other provision of state or local law, rule, or regulation if 1706

any of the following are true: 1707

(1) The activity is disaster work performed in this state 1708  
by an out-of-state disaster business during a disaster response 1709  
period pursuant to a qualifying solicitation received by the 1710  
business. 1711

(2) The activity is disaster work performed in this state 1712  
by a qualifying employee described in division (A) (14) (a) of 1713  
section 5703.94 of the Revised Code during a disaster response 1714  
period pursuant to a qualifying solicitation received by the 1715  
employee's employer. 1716

(3) The activity is disaster work performed in this state 1717  
by a qualifying employee described in division (A) (14) (b) of 1718  
section 5703.94 of the Revised Code during a disaster response 1719  
period on critical infrastructure owned or used by the 1720  
employee's employer. 1721

(C) (1) Upon request by the secretary of state, for each 1722  
qualifying employee who performed disaster work in this state 1723  
during the disaster response period, the employee's employer 1724  
shall provide proof of the employee's eligibility to perform 1725  
disaster work as determined by the employer's books and records. 1726

(2) If the secretary makes a request under division (C) (1) 1727  
of this section, the employer shall submit information described 1728  
in that division to the secretary not later than thirty days 1729  
from the date the disaster response period terminates or thirty 1730  
days from the date the employer receives the request, whichever 1731  
is later. 1732

**Sec. 5703.94. (A) As used in this section:** 1733

(1) "Declared disaster" means an event for which a 1734  
disaster declaration has been issued. 1735

(2) "Disaster declaration" means a declaration issued by the president of the United States or the governor of this state that an emergency exists. 1736  
1737  
1738

(3) "Disaster response period" means the period that begins on the tenth day preceding the day on which a disaster declaration is issued through the sixtieth day following the day that the disaster declaration expires or is rescinded. 1739  
1740  
1741  
1742

(4) "Disaster work" means both of the following: 1743

(a) Repairing, renovating, installing, or constructing critical infrastructure damaged or destroyed by the declared disaster, or other business activities related to that critical infrastructure; 1744  
1745  
1746  
1747

(b) Activities conducted in preparation for any activity described in division (A) (4) (a) of this section. 1748  
1749

(5) "Critical infrastructure" means property and equipment owned or used by a qualifying owner or user to provide service to more than one customer, including related support facilities such as buildings, offices, power lines, cable lines, poles, communication lines, and structures. 1750  
1751  
1752  
1753  
1754

(6) "Qualifying owner or user" means a public utility, commercial mobile radio service provider, cable service provider, or video service provider. 1755  
1756  
1757

(7) "Public utility" has the same meaning as in section 4905.02 of the Revised Code, without regard to the exclusions from that definition prescribed in divisions (A) (1) to (5) of that section. 1758  
1759  
1760  
1761

(8) "Commercial mobile radio service provider" means a person providing commercial mobile service as defined in 47 1762  
1763

<u>U.S.C. 332(d).</u>	1764
<u>(9) "Cable service provider" and "video service provider"</u>	1765
<u>have the same meanings as in section 1332.21 of the Revised</u>	1766
<u>Code.</u>	1767
<u>(10) "Out-of-state disaster business" means a person that</u>	1768
<u>does all of the following or to which apply all of the</u>	1769
<u>following:</u>	1770
<u>(a) Receives a qualifying solicitation;</u>	1771
<u>(b) Conducts disaster work in this state during a disaster</u>	1772
<u>response period;</u>	1773
<u>(c) Is not subject to taxation under Chapter 5747. or</u>	1774
<u>5751. of the Revised Code on any basis other than such disaster</u>	1775
<u>work during the calendar year preceding the year in which the</u>	1776
<u>disaster response period begins or is subject to such taxation</u>	1777
<u>during that year solely because the person is a related member</u>	1778
<u>of another person.</u>	1779
<u>(11) "Out-of-state employee" means an individual who</u>	1780
<u>performs no work in this state, except disaster work during a</u>	1781
<u>disaster response period, from the first day of the preceding</u>	1782
<u>calendar year to the date on which the disaster response period</u>	1783
<u>begins.</u>	1784
<u>(12) "Related member" has the same meaning as in section</u>	1785
<u>5733.042 of the Revised Code without regard to division (B) of</u>	1786
<u>that section.</u>	1787
<u>(13) "Qualifying solicitation" means a written</u>	1788
<u>solicitation or request from the state, a county, municipal</u>	1789
<u>corporation, or township, or a qualifying user or owner of</u>	1790
<u>critical infrastructure soliciting or requesting the assistance</u>	1791

of a person to perform disaster work in this state. 1792

(14) "Qualifying employee" means one of the following: 1793

(a) An out-of-state employee performing disaster work in 1794  
this state during a disaster response period whose employer 1795  
receives a qualifying solicitation to perform such work; 1796

(b) An out-of-state employee performing disaster work in 1797  
this state on critical infrastructure owned or used by the 1798  
employee's employer during a disaster response period, provided 1799  
that employer is a qualifying user or owner. 1800

(B) An out-of-state disaster business or qualifying 1801  
employee shall qualify for all of the following, as applicable: 1802

(1) The exemption authorized in division (C) (20) of 1803  
section 718.01, the exemption authorized in division (C) (10) of 1804  
section 5741.02, the deduction authorized in division (A) (33) of 1805  
section 5747.01, and the exclusion authorized in division (F) (2) 1806  
(11) of section 5751.01 of the Revised Code; 1807

(2) An exemption from any requirement to file a document 1808  
or application with or to remit a fee to the secretary of state 1809  
as a condition precedent to engaging in business in this state, 1810  
in accordance with section 1701.041 of the Revised Code; 1811

(3) An exemption from the requirements of Chapters 4121., 1812  
4123., and 4141. of the Revised Code, in accordance with 1813  
division (A) (2) of section 4123.01 and section 4141.42 of the 1814  
Revised Code; 1815

(4) An exemption from the requirement to obtain a state or 1816  
local occupational license or other authorization, in accordance 1817  
with section 4799.04 of the Revised Code. 1818

(C) (1) Upon the request of the tax commissioner, an out- 1819

of-state disaster business shall provide the following 1820  
information to the commissioner: 1821

(a) The name of the out-of-state disaster business and the 1822  
address of its principal place of business; 1823

(b) The business' federal tax identification number; 1824

(c) A copy of the qualifying solicitation received by the 1825  
business; 1826

(d) The dates that the out-of-state disaster business and 1827  
each of the business' out-of-state employees performing disaster 1828  
work in this state during a disaster response period began 1829  
performing disaster work in this state during that period; 1830

(e) The name and social security number of each of the 1831  
out-of-state disaster business' out-of-state employees 1832  
performing disaster work in this state during a disaster 1833  
response period; 1834

(f) The name of any person of which the out-of-state 1835  
disaster business is a related member, provided that person is 1836  
subject to taxation under Chapter 5747. or 5751. of the Revised 1837  
Code during the calendar year preceding the year in which the 1838  
disaster response period begins; 1839

(g) Any other information required by the tax 1840  
commissioner. 1841

(2) Upon the request of the tax commissioner, the employer 1842  
of a qualifying employee shall provide the following information 1843  
to the commissioner: 1844

(a) The employer's name and the address of its principal 1845  
place of business; 1846



(b) The employer's federal tax identification number; 1847

(c) For the employer of a qualifying employee described in 1848  
division (A) (14) (a) of this section, a copy of the qualifying 1849  
solicitation received by the employer; 1850

(d) The date each of the employer's out-of-state employees 1851  
performing disaster work in this state during a disaster 1852  
response period began performing disaster work in this 1853  
stateduring that period; 1854

(e) The name and social security number of each of the 1855  
employer's out-of-state employees performing disaster work in 1856  
this state during a disaster response period; 1857

(f) Any other information required by the tax 1858  
commissioner. 1859

(3) If the commissioner makes a request under division (C) 1860  
(1) or (2) of this section, the out-of-state disaster business 1861  
or employer shall submit information described in that division 1862  
to the commissioner not later than thirty days from the date the 1863  
disaster response period terminates or thirty days after the 1864  
business or employer receives the request, whichever is later. 1865

(D) The department of taxation may adopt rules necessary 1866  
to administer this section. 1867

**Sec. 5741.02.** (A) (1) For the use of the general revenue 1868  
fund of the state, an excise tax is hereby levied on the 1869  
storage, use, or other consumption in this state of tangible 1870  
personal property or the benefit realized in this state of any 1871  
service provided. The tax shall be collected as provided in 1872  
section 5739.025 of the Revised Code. The rate of the tax shall 1873  
be five and three-fourths per cent. 1874

(2) In the case of the lease or rental, with a fixed term 1875  
of more than thirty days or an indefinite term with a minimum 1876  
period of more than thirty days, of any motor vehicles designed 1877  
by the manufacturer to carry a load of not more than one ton, 1878  
watercraft, outboard motor, or aircraft, or of any tangible 1879  
personal property, other than motor vehicles designed by the 1880  
manufacturer to carry a load of more than one ton, to be used by 1881  
the lessee or renter primarily for business purposes, the tax 1882  
shall be collected by the seller at the time the lease or rental 1883  
is consummated and shall be calculated by the seller on the 1884  
basis of the total amount to be paid by the lessee or renter 1885  
under the lease or rental agreement. If the total amount of the 1886  
consideration for the lease or rental includes amounts that are 1887  
not calculated at the time the lease or rental is executed, the 1888  
tax shall be calculated and collected by the seller at the time 1889  
such amounts are billed to the lessee or renter. In the case of 1890  
an open-end lease or rental, the tax shall be calculated by the 1891  
seller on the basis of the total amount to be paid during the 1892  
initial fixed term of the lease or rental, and for each 1893  
subsequent renewal period as it comes due. As used in this 1894  
division, "motor vehicle" has the same meaning as in section 1895  
4501.01 of the Revised Code, and "watercraft" includes an 1896  
outdrive unit attached to the watercraft. 1897

(3) Except as provided in division (A) (2) of this section, 1898  
in the case of a transaction, the price of which consists in 1899  
whole or part of the lease or rental of tangible personal 1900  
property, the tax shall be measured by the installments of those 1901  
leases or rentals. 1902

(B) Each consumer, storing, using, or otherwise consuming 1903  
in this state tangible personal property or realizing in this 1904  
state the benefit of any service provided, shall be liable for 1905

the tax, and such liability shall not be extinguished until the 1906  
tax has been paid to this state; provided, that the consumer 1907  
shall be relieved from further liability for the tax if the tax 1908  
has been paid to a seller in accordance with section 5741.04 of 1909  
the Revised Code or prepaid by the seller in accordance with 1910  
section 5741.06 of the Revised Code. 1911

(C) The tax does not apply to the storage, use, or 1912  
consumption in this state of the following described tangible 1913  
personal property or services, nor to the storage, use, or 1914  
consumption or benefit in this state of tangible personal 1915  
property or services purchased under the following described 1916  
circumstances: 1917

(1) When the sale of property or service in this state is 1918  
subject to the excise tax imposed by sections 5739.01 to 5739.31 1919  
of the Revised Code, provided said tax has been paid; 1920

(2) Except as provided in division (D) of this section, 1921  
tangible personal property or services, the acquisition of 1922  
which, if made in Ohio, would be a sale not subject to the tax 1923  
imposed by sections 5739.01 to 5739.31 of the Revised Code; 1924

(3) Property or services, the storage, use, or other 1925  
consumption of or benefit from which this state is prohibited 1926  
from taxing by the Constitution of the United States, laws of 1927  
the United States, or the Constitution of this state. This 1928  
exemption shall not exempt from the application of the tax 1929  
imposed by this section the storage, use, or consumption of 1930  
tangible personal property that was purchased in interstate 1931  
commerce, but that has come to rest in this state, provided that 1932  
fuel to be used or transported in carrying on interstate 1933  
commerce that is stopped within this state pending transfer from 1934  
one conveyance to another is exempt from the excise tax imposed 1935

by this section and section 5739.02 of the Revised Code; 1936

(4) Transient use of tangible personal property in this 1937  
state by a nonresident tourist or vacationer, or a nonbusiness 1938  
use within this state by a nonresident of this state, if the 1939  
property so used was purchased outside this state for use 1940  
outside this state and is not required to be registered or 1941  
licensed under the laws of this state; 1942

(5) Tangible personal property or services rendered, upon 1943  
which taxes have been paid to another jurisdiction to the extent 1944  
of the amount of the tax paid to such other jurisdiction. Where 1945  
the amount of the tax imposed by this section and imposed 1946  
pursuant to section 5741.021, 5741.022, or 5741.023 of the 1947  
Revised Code exceeds the amount paid to another jurisdiction, 1948  
the difference shall be allocated between the tax imposed by 1949  
this section and any tax imposed by a county or a transit 1950  
authority pursuant to section 5741.021, 5741.022, or 5741.023 of 1951  
the Revised Code, in proportion to the respective rates of such 1952  
taxes. 1953

As used in this subdivision, "taxes paid to another 1954  
jurisdiction" means the total amount of retail sales or use tax 1955  
or similar tax based upon the sale, purchase, or use of tangible 1956  
personal property or services rendered legally, levied by and 1957  
paid to another state or political subdivision thereof, or to 1958  
the District of Columbia, where the payment of such tax does not 1959  
entitle the taxpayer to any refund or credit for such payment. 1960

(6) The transfer of a used manufactured home or used 1961  
mobile home, as defined by section 5739.0210 of the Revised 1962  
Code, made on or after January 1, 2000; 1963

(7) Drugs that are or are intended to be distributed free 1964

of charge to a practitioner licensed to prescribe, dispense, and 1965  
administer drugs to a human being in the course of a 1966  
professional practice and that by law may be dispensed only by 1967  
or upon the order of such a practitioner-~~i~~ 1968

(8) Computer equipment and related software leased from a 1969  
lessor located outside this state and initially received in this 1970  
state on behalf of the consumer by a third party that will 1971  
retain possession of such property for not more than ninety days 1972  
and that will, within that ninety-day period, deliver such 1973  
property to the consumer at a location outside this state. 1974  
Division (C) (8) of this section does not provide exemption from 1975  
taxation for any otherwise taxable charges associated with such 1976  
property while it is in this state or for any subsequent 1977  
storage, use, or consumption of such property in this state by 1978  
or on behalf of the consumer. 1979

(9) Tangible personal property held for sale by a person 1980  
but not for that person's own use and donated by that person, 1981  
without charge or other compensation, to either of the 1982  
following: 1983

(a) A nonprofit organization operated exclusively for 1984  
charitable purposes in this state, no part of the net income of 1985  
which inures to the benefit of any private shareholder or 1986  
individual and no substantial part of the activities of which 1987  
consists of carrying on propaganda or otherwise attempting to 1988  
influence legislation; or 1989

(b) This state or any political subdivision of this state, 1990  
but only if donated for exclusively public purposes. 1991

For the purposes of division (C) ~~(10)~~ (9) of this section, 1992  
"charitable purposes" has the same meaning as in division (B) 1993

(12) of section 5739.02 of the Revised Code. 1994

(10) Equipment stored, used, or otherwise consumed in this 1995  
state by an out-of-state disaster business during a disaster 1996  
response period during which the business conducts disaster work 1997  
pursuant to a qualifying solicitation received by the business, 1998  
provided the equipment is removed from the state before the last 1999  
day of that period. All terms used in division (C) (10) of this 2000  
section have the same meanings as in section 5703.94 of the 2001  
Revised Code. 2002

(D) The tax applies to the storage, use, or other 2003  
consumption in this state of tangible personal property or 2004  
services, the acquisition of which at the time of sale was 2005  
excepted under division (E) of section 5739.01 of the Revised 2006  
Code from the tax imposed by section 5739.02 of the Revised 2007  
Code, but which has subsequently been temporarily or permanently 2008  
stored, used, or otherwise consumed in a taxable manner. 2009

(E) (1) (a) If any transaction is claimed to be exempt under 2010  
division (E) of section 5739.01 of the Revised Code or under 2011  
section 5739.02 of the Revised Code, with the exception of 2012  
divisions (B) (1) to (11) or (28) of section 5739.02 of the 2013  
Revised Code, the consumer shall provide to the seller, and the 2014  
seller shall obtain from the consumer, a certificate specifying 2015  
the reason that the transaction is not subject to the tax. The 2016  
certificate shall be in such form, and shall be provided either 2017  
in a hard copy form or electronic form, as the tax commissioner 2018  
prescribes. 2019

(b) A seller that obtains a fully completed exemption 2020  
certificate from a consumer is relieved of liability for 2021  
collecting and remitting tax on any sale covered by that 2022  
certificate. If it is determined the exemption was improperly 2023

claimed, the consumer shall be liable for any tax due on that 2024  
sale under this chapter. Relief under this division from 2025  
liability does not apply to any of the following: 2026

(i) A seller that fraudulently fails to collect tax; 2027

(ii) A seller that solicits consumers to participate in 2028  
the unlawful claim of an exemption; 2029

(iii) A seller that accepts an exemption certificate from 2030  
a consumer that claims an exemption based on who purchases or 2031  
who sells property or a service, when the subject of the 2032  
transaction sought to be covered by the exemption certificate is 2033  
actually received by the consumer at a location operated by the 2034  
seller in this state, and this state has posted to its web site 2035  
an exemption certificate form that clearly and affirmatively 2036  
indicates that the claimed exemption is not available in this 2037  
state; 2038

(iv) A seller that accepts an exemption certificate from a 2039  
consumer who claims a multiple points of use exemption under 2040  
division (D) of section 5739.033 of the Revised Code, if the 2041  
item purchased is tangible personal property, other than 2042  
prewritten computer software. 2043

(2) The seller shall maintain records, including exemption 2044  
certificates, of all sales on which a consumer has claimed an 2045  
exemption, and provide them to the tax commissioner on request. 2046

(3) If no certificate is provided or obtained within 2047  
ninety days after the date on which the transaction is 2048  
consummated, it shall be presumed that the tax applies. Failure 2049  
to have so provided or obtained a certificate shall not preclude 2050  
a seller, within one hundred twenty days after the tax 2051  
commissioner gives written notice of intent to levy an 2052

assessment, from either establishing that the transaction is not 2053  
subject to the tax, or obtaining, in good faith, a fully 2054  
completed exemption certificate. 2055

(4) If a transaction is claimed to be exempt under 2056  
division (B) (13) of section 5739.02 of the Revised Code, the 2057  
contractor shall obtain certification of the claimed exemption 2058  
from the contractee. This certification shall be in addition to 2059  
an exemption certificate provided by the contractor to the 2060  
seller. A contractee that provides a certification under this 2061  
division shall be deemed to be the consumer of all items 2062  
purchased by the contractor under the claim of exemption, if it 2063  
is subsequently determined that the exemption is not properly 2064  
claimed. The certification shall be in such form as the tax 2065  
commissioner prescribes. 2066

(F) A seller who files a petition for reassessment 2067  
contesting the assessment of tax on transactions for which the 2068  
seller obtained no valid exemption certificates, and for which 2069  
the seller failed to establish that the transactions were not 2070  
subject to the tax during the one-hundred-twenty-day period 2071  
allowed under division (E) of this section, may present to the 2072  
tax commissioner additional evidence to prove that the 2073  
transactions were exempt. The seller shall file such evidence 2074  
within ninety days of the receipt by the seller of the notice of 2075  
assessment, except that, upon application and for reasonable 2076  
cause, the tax commissioner may extend the period for submitting 2077  
such evidence thirty days. 2078

(G) For the purpose of the proper administration of 2079  
sections 5741.01 to 5741.22 of the Revised Code, and to prevent 2080  
the evasion of the tax hereby levied, it shall be presumed that 2081  
any use, storage, or other consumption of tangible personal 2082



property in this state is subject to the tax until the contrary  
is established.

(H) The tax collected by the seller from the consumer  
under this chapter is not part of the price, but is a tax  
collection for the benefit of the state, and of counties levying  
an additional use tax pursuant to section 5741.021 or 5741.023  
of the Revised Code and of transit authorities levying an  
additional use tax pursuant to section 5741.022 of the Revised  
Code. Except for the discount authorized under section 5741.12  
of the Revised Code and the effects of any rounding pursuant to  
section 5703.055 of the Revised Code, no person other than the  
state or such a county or transit authority shall derive any  
benefit from the collection of such tax.

**Sec. 5747.01.** Except as otherwise expressly provided or  
clearly appearing from the context, any term used in this  
chapter that is not otherwise defined in this section has the  
same meaning as when used in a comparable context in the laws of  
the United States relating to federal income taxes or if not  
used in a comparable context in those laws, has the same meaning  
as in section 5733.40 of the Revised Code. Any reference in this  
chapter to the Internal Revenue Code includes other laws of the  
United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross  
income" means federal adjusted gross income, as defined and used  
in the Internal Revenue Code, adjusted as provided in this  
section:

(1) Add interest or dividends on obligations or securities  
of any state or of any political subdivision or authority of any

state, other than this state and its subdivisions and 2112  
authorities. 2113

(2) Add interest or dividends on obligations of any 2114  
authority, commission, instrumentality, territory, or possession 2115  
of the United States to the extent that the interest or 2116  
dividends are exempt from federal income taxes but not from 2117  
state income taxes. 2118

(3) Deduct interest or dividends on obligations of the 2119  
United States and its territories and possessions or of any 2120  
authority, commission, or instrumentality of the United States 2121  
to the extent that the interest or dividends are included in 2122  
federal adjusted gross income but exempt from state income taxes 2123  
under the laws of the United States. 2124

(4) Deduct disability and survivor's benefits to the 2125  
extent included in federal adjusted gross income. 2126

(5) Deduct benefits under Title II of the Social Security 2127  
Act and tier 1 railroad retirement benefits to the extent 2128  
included in federal adjusted gross income under section 86 of 2129  
the Internal Revenue Code. 2130

(6) In the case of a taxpayer who is a beneficiary of a 2131  
trust that makes an accumulation distribution as defined in 2132  
section 665 of the Internal Revenue Code, add, for the 2133  
beneficiary's taxable years beginning before 2002, the portion, 2134  
if any, of such distribution that does not exceed the 2135  
undistributed net income of the trust for the three taxable 2136  
years preceding the taxable year in which the distribution is 2137  
made to the extent that the portion was not included in the 2138  
trust's taxable income for any of the trust's taxable years 2139  
beginning in 2002 or thereafter. "Undistributed net income of a 2140

trust" means the taxable income of the trust increased by (a) (i) 2141  
the additions to adjusted gross income required under division 2142  
(A) of this section and (ii) the personal exemptions allowed to 2143  
the trust pursuant to section 642(b) of the Internal Revenue 2144  
Code, and decreased by (b) (i) the deductions to adjusted gross 2145  
income required under division (A) of this section, (ii) the 2146  
amount of federal income taxes attributable to such income, and 2147  
(iii) the amount of taxable income that has been included in the 2148  
adjusted gross income of a beneficiary by reason of a prior 2149  
accumulation distribution. Any undistributed net income included 2150  
in the adjusted gross income of a beneficiary shall reduce the 2151  
undistributed net income of the trust commencing with the 2152  
earliest years of the accumulation period. 2153

(7) Deduct the amount of wages and salaries, if any, not 2154  
otherwise allowable as a deduction but that would have been 2155  
allowable as a deduction in computing federal adjusted gross 2156  
income for the taxable year, had the targeted jobs credit 2157  
allowed and determined under sections 38, 51, and 52 of the 2158  
Internal Revenue Code not been in effect. 2159

(8) Deduct any interest or interest equivalent on public 2160  
obligations and purchase obligations to the extent that the 2161  
interest or interest equivalent is included in federal adjusted 2162  
gross income. 2163

(9) Add any loss or deduct any gain resulting from the 2164  
sale, exchange, or other disposition of public obligations to 2165  
the extent that the loss has been deducted or the gain has been 2166  
included in computing federal adjusted gross income. 2167

(10) Deduct or add amounts, as provided under section 2168  
5747.70 of the Revised Code, related to contributions to 2169  
variable college savings program accounts made or tuition units 2170

purchased pursuant to Chapter 3334. of the Revised Code. 2171

(11) (a) Deduct, to the extent not otherwise allowable as a 2172  
deduction or exclusion in computing federal or Ohio adjusted 2173  
gross income for the taxable year, the amount the taxpayer paid 2174  
during the taxable year for medical care insurance and qualified 2175  
long-term care insurance for the taxpayer, the taxpayer's 2176  
spouse, and dependents. No deduction for medical care insurance 2177  
under division (A) (11) of this section shall be allowed either 2178  
to any taxpayer who is eligible to participate in any subsidized 2179  
health plan maintained by any employer of the taxpayer or of the 2180  
taxpayer's spouse, or to any taxpayer who is entitled to, or on 2181  
application would be entitled to, benefits under part A of Title 2182  
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 2183  
U.S.C. 301, as amended. For the purposes of division (A) (11) (a) 2184  
of this section, "subsidized health plan" means a health plan 2185  
for which the employer pays any portion of the plan's cost. The 2186  
deduction allowed under division (A) (11) (a) of this section 2187  
shall be the net of any related premium refunds, related premium 2188  
reimbursements, or related insurance premium dividends received 2189  
during the taxable year. 2190

(b) Deduct, to the extent not otherwise deducted or 2191  
excluded in computing federal or Ohio adjusted gross income 2192  
during the taxable year, the amount the taxpayer paid during the 2193  
taxable year, not compensated for by any insurance or otherwise, 2194  
for medical care of the taxpayer, the taxpayer's spouse, and 2195  
dependents, to the extent the expenses exceed seven and one-half 2196  
per cent of the taxpayer's federal adjusted gross income. 2197

(c) Deduct, to the extent not otherwise deducted or 2198  
excluded in computing federal or Ohio adjusted gross income, any 2199  
amount included in federal adjusted gross income under section 2200

105 or not excluded under section 106 of the Internal Revenue Code solely because it relates to an accident and health plan for a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(d) For purposes of division (A)(11) of this section, "medical care" has the meaning given in section 213 of the Internal Revenue Code, subject to the special rules, limitations, and exclusions set forth therein, and "qualified long-term care" has the same meaning given in section 7702B(c) of the Internal Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) of this section, "dependent" includes a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio adjusted

gross income for any taxable year to the extent that the amount 2231  
is attributable to the recovery during the taxable year of any 2232  
amount deducted or excluded in computing federal or Ohio 2233  
adjusted gross income in any taxable year. 2234

(13) Deduct any portion of the deduction described in 2235  
section 1341(a)(2) of the Internal Revenue Code, for repaying 2236  
previously reported income received under a claim of right, that 2237  
meets both of the following requirements: 2238

(a) It is allowable for repayment of an item that was 2239  
included in the taxpayer's adjusted gross income for a prior 2240  
taxable year and did not qualify for a credit under division (A) 2241  
or (B) of section 5747.05 of the Revised Code for that year; 2242

(b) It does not otherwise reduce the taxpayer's adjusted 2243  
gross income for the current or any other taxable year. 2244

(14) Deduct an amount equal to the deposits made to, and 2245  
net investment earnings of, a medical savings account during the 2246  
taxable year, in accordance with section 3924.66 of the Revised 2247  
Code. The deduction allowed by division (A)(14) of this section 2248  
does not apply to medical savings account deposits and earnings 2249  
otherwise deducted or excluded for the current or any other 2250  
taxable year from the taxpayer's federal adjusted gross income. 2251

(15)(a) Add an amount equal to the funds withdrawn from a 2252  
medical savings account during the taxable year, and the net 2253  
investment earnings on those funds, when the funds withdrawn 2254  
were used for any purpose other than to reimburse an account 2255  
holder for, or to pay, eligible medical expenses, in accordance 2256  
with section 3924.66 of the Revised Code; 2257

(b) Add the amounts distributed from a medical savings 2258  
account under division (A)(2) of section 3924.68 of the Revised 2259

Code during the taxable year.	2260
(16) Add any amount claimed as a credit under section	2261
5747.059 or 5747.65 of the Revised Code to the extent that such	2262
amount satisfies either of the following:	2263
(a) The amount was deducted or excluded from the	2264
computation of the taxpayer's federal adjusted gross income as	2265
required to be reported for the taxpayer's taxable year under	2266
the Internal Revenue Code;	2267
(b) The amount resulted in a reduction of the taxpayer's	2268
federal adjusted gross income as required to be reported for any	2269
of the taxpayer's taxable years under the Internal Revenue Code.	2270
(17) Deduct the amount contributed by the taxpayer to an	2271
individual development account program established by a county	2272
department of job and family services pursuant to sections	2273
329.11 to 329.14 of the Revised Code for the purpose of matching	2274
funds deposited by program participants. On request of the tax	2275
commissioner, the taxpayer shall provide any information that,	2276
in the tax commissioner's opinion, is necessary to establish the	2277
amount deducted under division (A) (17) of this section.	2278
(18) Beginning in taxable year 2001 but not for any	2279
taxable year beginning after December 31, 2005, if the taxpayer	2280
is married and files a joint return and the combined federal	2281
adjusted gross income of the taxpayer and the taxpayer's spouse	2282
for the taxable year does not exceed one hundred thousand	2283
dollars, or if the taxpayer is single and has a federal adjusted	2284
gross income for the taxable year not exceeding fifty thousand	2285
dollars, deduct amounts paid during the taxable year for	2286
qualified tuition and fees paid to an eligible institution for	2287
the taxpayer, the taxpayer's spouse, or any dependent of the	2288

taxpayer, who is a resident of this state and is enrolled in or 2289  
attending a program that culminates in a degree or diploma at an 2290  
eligible institution. The deduction may be claimed only to the 2291  
extent that qualified tuition and fees are not otherwise 2292  
deducted or excluded for any taxable year from federal or Ohio 2293  
adjusted gross income. The deduction may not be claimed for 2294  
educational expenses for which the taxpayer claims a credit 2295  
under section 5747.27 of the Revised Code. 2296

(19) Add any reimbursement received during the taxable 2297  
year of any amount the taxpayer deducted under division (A) (18) 2298  
of this section in any previous taxable year to the extent the 2299  
amount is not otherwise included in Ohio adjusted gross income. 2300

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 2301  
(v) of this section, add five-sixths of the amount of 2302  
depreciation expense allowed by subsection (k) of section 168 of 2303  
the Internal Revenue Code, including the taxpayer's 2304  
proportionate or distributive share of the amount of 2305  
depreciation expense allowed by that subsection to a pass- 2306  
through entity in which the taxpayer has a direct or indirect 2307  
ownership interest. 2308

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 2309  
of this section, add five-sixths of the amount of qualifying 2310  
section 179 depreciation expense, including the taxpayer's 2311  
proportionate or distributive share of the amount of qualifying 2312  
section 179 depreciation expense allowed to any pass-through 2313  
entity in which the taxpayer has a direct or indirect ownership 2314  
interest. 2315

(iii) Subject to division (A) (20) (a) (v) of this section, 2316  
for taxable years beginning in 2012 or thereafter, if the 2317  
increase in income taxes withheld by the taxpayer is equal to or 2318



greater than ten per cent of income taxes withheld by the 2319  
taxpayer during the taxpayer's immediately preceding taxable 2320  
year, "two-thirds" shall be substituted for "five-sixths" for 2321  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 2322

(iv) Subject to division (A) (20) (a) (v) of this section, 2323  
for taxable years beginning in 2012 or thereafter, a taxpayer is 2324  
not required to add an amount under division (A) (20) of this 2325  
section if the increase in income taxes withheld by the taxpayer 2326  
and by any pass-through entity in which the taxpayer has a 2327  
direct or indirect ownership interest is equal to or greater 2328  
than the sum of (I) the amount of qualifying section 179 2329  
depreciation expense and (II) the amount of depreciation expense 2330  
allowed to the taxpayer by subsection (k) of section 168 of the 2331  
Internal Revenue Code, and including the taxpayer's 2332  
proportionate or distributive shares of such amounts allowed to 2333  
any such pass-through entities. 2334

(v) If a taxpayer directly or indirectly incurs a net 2335  
operating loss for the taxable year for federal income tax 2336  
purposes, to the extent such loss resulted from depreciation 2337  
expense allowed by subsection (k) of section 168 of the Internal 2338  
Revenue Code and by qualifying section 179 depreciation expense, 2339  
"the entire" shall be substituted for "five-sixths of the" for 2340  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 2341

The tax commissioner, under procedures established by the 2342  
commissioner, may waive the add-backs related to a pass-through 2343  
entity if the taxpayer owns, directly or indirectly, less than 2344  
five per cent of the pass-through entity. 2345

(b) Nothing in division (A) (20) of this section shall be 2346  
construed to adjust or modify the adjusted basis of any asset. 2347

(c) To the extent the add-back required under division (A) 2348  
(20) (a) of this section is attributable to property generating 2349  
nonbusiness income or loss allocated under section 5747.20 of 2350  
the Revised Code, the add-back shall be situated to the same 2351  
location as the nonbusiness income or loss generated by the 2352  
property for the purpose of determining the credit under 2353  
division (A) of section 5747.05 of the Revised Code. Otherwise, 2354  
the add-back shall be apportioned, subject to one or more of the 2355  
four alternative methods of apportionment enumerated in section 2356  
5747.21 of the Revised Code. 2357

(d) For the purposes of division (A) (20) (a) (v) of this 2358  
section, net operating loss carryback and carryforward shall not 2359  
include the allowance of any net operating loss deduction 2360  
carryback or carryforward to the taxable year to the extent such 2361  
loss resulted from depreciation allowed by section 168(k) of the 2362  
Internal Revenue Code and by the qualifying section 179 2363  
depreciation expense amount. 2364

(e) For the purposes of divisions (A) (20) and (21) of this 2365  
section: 2366

(i) "Income taxes withheld" means the total amount 2367  
withheld and remitted under sections 5747.06 and 5747.07 of the 2368  
Revised Code by an employer during the employer's taxable year. 2369

(ii) "Increase in income taxes withheld" means the amount 2370  
by which the amount of income taxes withheld by an employer 2371  
during the employer's current taxable year exceeds the amount of 2372  
income taxes withheld by that employer during the employer's 2373  
immediately preceding taxable year. 2374

(iii) "Qualifying section 179 depreciation expense" means 2375  
the difference between (I) the amount of depreciation expense 2376

directly or indirectly allowed to a taxpayer under section 179 2377  
of the Internal Revised Code, and (II) the amount of 2378  
depreciation expense directly or indirectly allowed to the 2379  
taxpayer under section 179 of the Internal Revenue Code as that 2380  
section existed on December 31, 2002. 2381

(21) (a) If the taxpayer was required to add an amount 2382  
under division (A) (20) (a) of this section for a taxable year, 2383  
deduct one of the following: 2384

(i) One-fifth of the amount so added for each of the five 2385  
succeeding taxable years if the amount so added was five-sixths 2386  
of qualifying section 179 depreciation expense or depreciation 2387  
expense allowed by subsection (k) of section 168 of the Internal 2388  
Revenue Code; 2389

(ii) One-half of the amount so added for each of the two 2390  
succeeding taxable years if the amount so added was two-thirds 2391  
of such depreciation expense; 2392

(iii) One-sixth of the amount so added for each of the six 2393  
succeeding taxable years if the entire amount of such 2394  
depreciation expense was so added. 2395

(b) If the amount deducted under division (A) (21) (a) of 2396  
this section is attributable to an add-back allocated under 2397  
division (A) (20) (c) of this section, the amount deducted shall 2398  
be situated to the same location. Otherwise, the add-back shall 2399  
be apportioned using the apportionment factors for the taxable 2400  
year in which the deduction is taken, subject to one or more of 2401  
the four alternative methods of apportionment enumerated in 2402  
section 5747.21 of the Revised Code. 2403

(c) No deduction is available under division (A) (21) (a) of 2404  
this section with regard to any depreciation allowed by section 2405

168(k) of the Internal Revenue Code and by the qualifying 2406  
section 179 depreciation expense amount to the extent that such 2407  
depreciation results in or increases a federal net operating 2408  
loss carryback or carryforward. If no such deduction is 2409  
available for a taxable year, the taxpayer may carry forward the 2410  
amount not deducted in such taxable year to the next taxable 2411  
year and add that amount to any deduction otherwise available 2412  
under division (A) (21) (a) of this section for that next taxable 2413  
year. The carryforward of amounts not so deducted shall continue 2414  
until the entire addition required by division (A) (20) (a) of 2415  
this section has been deducted. 2416

(d) No refund shall be allowed as a result of adjustments 2417  
made by division (A) (21) of this section. 2418

(22) Deduct, to the extent not otherwise deducted or 2419  
excluded in computing federal or Ohio adjusted gross income for 2420  
the taxable year, the amount the taxpayer received during the 2421  
taxable year as reimbursement for life insurance premiums under 2422  
section 5919.31 of the Revised Code. 2423

(23) Deduct, to the extent not otherwise deducted or 2424  
excluded in computing federal or Ohio adjusted gross income for 2425  
the taxable year, the amount the taxpayer received during the 2426  
taxable year as a death benefit paid by the adjutant general 2427  
under section 5919.33 of the Revised Code. 2428

(24) Deduct, to the extent included in federal adjusted 2429  
gross income and not otherwise allowable as a deduction or 2430  
exclusion in computing federal or Ohio adjusted gross income for 2431  
the taxable year, military pay and allowances received by the 2432  
taxpayer during the taxable year for active duty service in the 2433  
United States army, air force, navy, marine corps, or coast 2434  
guard or reserve components thereof or the national guard. The 2435

deduction may not be claimed for military pay and allowances 2436  
received by the taxpayer while the taxpayer is stationed in this 2437  
state. 2438

(25) Deduct, to the extent not otherwise allowable as a 2439  
deduction or exclusion in computing federal or Ohio adjusted 2440  
gross income for the taxable year and not otherwise compensated 2441  
for by any other source, the amount of qualified organ donation 2442  
expenses incurred by the taxpayer during the taxable year, not 2443  
to exceed ten thousand dollars. A taxpayer may deduct qualified 2444  
organ donation expenses only once for all taxable years 2445  
beginning with taxable years beginning in 2007. 2446

For the purposes of division (A) (25) of this section: 2447

(a) "Human organ" means all or any portion of a human 2448  
liver, pancreas, kidney, intestine, or lung, and any portion of 2449  
human bone marrow. 2450

(b) "Qualified organ donation expenses" means travel 2451  
expenses, lodging expenses, and wages and salary forgone by a 2452  
taxpayer in connection with the taxpayer's donation, while 2453  
living, of one or more of the taxpayer's human organs to another 2454  
human being. 2455

(26) Deduct, to the extent not otherwise deducted or 2456  
excluded in computing federal or Ohio adjusted gross income for 2457  
the taxable year, amounts received by the taxpayer as retired 2458  
personnel pay for service in the uniformed services or reserve 2459  
components thereof, or the national guard, or received by the 2460  
surviving spouse or former spouse of such a taxpayer under the 2461  
survivor benefit plan on account of such a taxpayer's death. If 2462  
the taxpayer receives income on account of retirement paid under 2463  
the federal civil service retirement system or federal employees 2464

retirement system, or under any successor retirement program 2465  
enacted by the congress of the United States that is established 2466  
and maintained for retired employees of the United States 2467  
government, and such retirement income is based, in whole or in 2468  
part, on credit for the taxpayer's uniformed service, the 2469  
deduction allowed under this division shall include only that 2470  
portion of such retirement income that is attributable to the 2471  
taxpayer's uniformed service, to the extent that portion of such 2472  
retirement income is otherwise included in federal adjusted 2473  
gross income and is not otherwise deducted under this section. 2474  
Any amount deducted under division (A) (26) of this section is 2475  
not included in a taxpayer's adjusted gross income for the 2476  
purposes of section 5747.055 of the Revised Code. No amount may 2477  
be deducted under division (A) (26) of this section on the basis 2478  
of which a credit was claimed under section 5747.055 of the 2479  
Revised Code. 2480

(27) Deduct, to the extent not otherwise deducted or 2481  
excluded in computing federal or Ohio adjusted gross income for 2482  
the taxable year, the amount the taxpayer received during the 2483  
taxable year from the military injury relief fund created in 2484  
section 5902.05 of the Revised Code. 2485

(28) Deduct, to the extent not otherwise deducted or 2486  
excluded in computing federal or Ohio adjusted gross income for 2487  
the taxable year, the amount the taxpayer received as a veterans 2488  
bonus during the taxable year from the Ohio department of 2489  
veterans services as authorized by Section 2r of Article VIII, 2490  
Ohio Constitution. 2491

(29) Deduct, to the extent not otherwise deducted or 2492  
excluded in computing federal or Ohio adjusted gross income for 2493  
the taxable year, any income derived from a transfer agreement 2494

or from the enterprise transferred under that agreement under 2495  
section 4313.02 of the Revised Code. 2496

(30) Deduct, to the extent not otherwise deducted or 2497  
excluded in computing federal or Ohio adjusted gross income for 2498  
the taxable year, Ohio college opportunity or federal Pell grant 2499  
amounts received by the taxpayer or the taxpayer's spouse or 2500  
dependent pursuant to section 3333.122 of the Revised Code or 20 2501  
U.S.C. 1070a, et seq., and used to pay room or board furnished 2502  
by the educational institution for which the grant was awarded 2503  
at the institution's facilities, including meal plans 2504  
administered by the institution. For the purposes of this 2505  
division, receipt of a grant includes the distribution of a 2506  
grant directly to an educational institution and the crediting 2507  
of the grant to the enrollee's account with the institution. 2508

(31) (a) For taxable years beginning in 2015, deduct from 2509  
the portion of an individual's adjusted gross income that is 2510  
business income, to the extent not otherwise deducted or 2511  
excluded in computing federal or Ohio adjusted gross income for 2512  
the taxable year, the lesser of the following amounts: 2513

(i) Seventy-five per cent of the individual's business 2514  
income; 2515

(ii) Ninety-three thousand seven hundred fifty dollars for 2516  
each spouse if spouses file separate returns under section 2517  
5747.08 of the Revised Code or one hundred eighty-seven thousand 2518  
five hundred dollars for all other individuals. 2519

(b) For taxable years beginning in 2016 or thereafter, 2520  
deduct from the portion of an individual's adjusted gross income 2521  
that is business income, to the extent not otherwise deducted or 2522  
excluded in computing federal adjusted gross income for the 2523

taxable year, one hundred twenty-five thousand dollars for each spouse if spouses file separate returns under section 5747.08 of the Revised Code or two hundred fifty thousand dollars for all other individuals.

(32) Deduct, as provided under section 5747.78 of the Revised Code, contributions to ABLE savings accounts made in accordance with sections 113.50 to 113.56 of the Revised Code.

(33) (a) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, all of the following:

(i) Compensation paid to a qualifying employee described in division (A) (14) (a) of section 5703.94 of the Revised Code to the extent such compensation is for disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(ii) Compensation paid to a qualifying employee described in division (A) (14) (b) of section 5703.94 of the Revised Code to the extent such compensation is for disaster work conducted in this state by the employee during the disaster response period on critical infrastructure owned or used by the employee's employer;

(iii) Income received by an out-of-state disaster business for disaster work conducted in this state during a disaster response period, or, if the out-of-state disaster business is a pass-through entity, a taxpayer's distributive share of the pass-through entity's income from the business conducting disaster work in this state during a disaster response period, if, in either case, the disaster work is conducted pursuant to a qualifying solicitation received by the business.



(b) All terms used in division (A) (33) of this section 2553  
have the same meanings as in section 5703.94 of the Revised 2554  
Code. 2555

(B) "Business income" means income, including gain or 2556  
loss, arising from transactions, activities, and sources in the 2557  
regular course of a trade or business and includes income, gain, 2558  
or loss from real property, tangible property, and intangible 2559  
property if the acquisition, rental, management, and disposition 2560  
of the property constitute integral parts of the regular course 2561  
of a trade or business operation. "Business income" includes 2562  
income, including gain or loss, from a partial or complete 2563  
liquidation of a business, including, but not limited to, gain 2564  
or loss from the sale or other disposition of goodwill. 2565

(C) "Nonbusiness income" means all income other than 2566  
business income and may include, but is not limited to, 2567  
compensation, rents and royalties from real or tangible personal 2568  
property, capital gains, interest, dividends and distributions, 2569  
patent or copyright royalties, or lottery winnings, prizes, and 2570  
awards. 2571

(D) "Compensation" means any form of remuneration paid to 2572  
an employee for personal services. 2573

(E) "Fiduciary" means a guardian, trustee, executor, 2574  
administrator, receiver, conservator, or any other person acting 2575  
in any fiduciary capacity for any individual, trust, or estate. 2576

(F) "Fiscal year" means an accounting period of twelve 2577  
months ending on the last day of any month other than December. 2578

(G) "Individual" means any natural person. 2579

(H) "Internal Revenue Code" means the "Internal Revenue 2580  
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 2581

(I) "Resident" means any of the following, provided that 2582  
division (I) (3) of this section applies only to taxable years of 2583  
a trust beginning in 2002 or thereafter: 2584

(1) An individual who is domiciled in this state, subject 2585  
to section 5747.24 of the Revised Code; 2586

(2) The estate of a decedent who at the time of death was 2587  
domiciled in this state. The domicile tests of section 5747.24 2588  
of the Revised Code are not controlling for purposes of division 2589  
(I) (2) of this section. 2590

(3) A trust that, in whole or part, resides in this state. 2591  
If only part of a trust resides in this state, the trust is a 2592  
resident only with respect to that part. 2593

For the purposes of division (I) (3) of this section: 2594

(a) A trust resides in this state for the trust's current 2595  
taxable year to the extent, as described in division (I) (3) (d) 2596  
of this section, that the trust consists directly or indirectly, 2597  
in whole or in part, of assets, net of any related liabilities, 2598  
that were transferred, or caused to be transferred, directly or 2599  
indirectly, to the trust by any of the following: 2600

(i) A person, a court, or a governmental entity or 2601  
instrumentality on account of the death of a decedent, but only 2602  
if the trust is described in division (I) (3) (e) (i) or (ii) of 2603  
this section; 2604

(ii) A person who was domiciled in this state for the 2605  
purposes of this chapter when the person directly or indirectly 2606  
transferred assets to an irrevocable trust, but only if at least 2607  
one of the trust's qualifying beneficiaries is domiciled in this 2608  
state for the purposes of this chapter during all or some 2609  
portion of the trust's current taxable year; 2610

(iii) A person who was domiciled in this state for the 2611  
purposes of this chapter when the trust document or instrument 2612  
or part of the trust document or instrument became irrevocable, 2613  
but only if at least one of the trust's qualifying beneficiaries 2614  
is a resident domiciled in this state for the purposes of this 2615  
chapter during all or some portion of the trust's current 2616  
taxable year. If a trust document or instrument became 2617  
irrevocable upon the death of a person who at the time of death 2618  
was domiciled in this state for purposes of this chapter, that 2619  
person is a person described in division (I) (3) (a) (iii) of this 2620  
section. 2621

(b) A trust is irrevocable to the extent that the 2622  
transferor is not considered to be the owner of the net assets 2623  
of the trust under sections 671 to 678 of the Internal Revenue 2624  
Code. 2625

(c) With respect to a trust other than a charitable lead 2626  
trust, "qualifying beneficiary" has the same meaning as 2627  
"potential current beneficiary" as defined in section 1361(e) (2) 2628  
of the Internal Revenue Code, and with respect to a charitable 2629  
lead trust "qualifying beneficiary" is any current, future, or 2630  
contingent beneficiary, but with respect to any trust 2631  
"qualifying beneficiary" excludes a person or a governmental 2632  
entity or instrumentality to any of which a contribution would 2633  
qualify for the charitable deduction under section 170 of the 2634  
Internal Revenue Code. 2635

(d) For the purposes of division (I) (3) (a) of this 2636  
section, the extent to which a trust consists directly or 2637  
indirectly, in whole or in part, of assets, net of any related 2638  
liabilities, that were transferred directly or indirectly, in 2639  
whole or part, to the trust by any of the sources enumerated in 2640

that division shall be ascertained by multiplying the fair 2641  
market value of the trust's assets, net of related liabilities, 2642  
by the qualifying ratio, which shall be computed as follows: 2643

(i) The first time the trust receives assets, the 2644  
numerator of the qualifying ratio is the fair market value of 2645  
those assets at that time, net of any related liabilities, from 2646  
sources enumerated in division (I) (3) (a) of this section. The 2647  
denominator of the qualifying ratio is the fair market value of 2648  
all the trust's assets at that time, net of any related 2649  
liabilities. 2650

(ii) Each subsequent time the trust receives assets, a 2651  
revised qualifying ratio shall be computed. The numerator of the 2652  
revised qualifying ratio is the sum of (1) the fair market value 2653  
of the trust's assets immediately prior to the subsequent 2654  
transfer, net of any related liabilities, multiplied by the 2655  
qualifying ratio last computed without regard to the subsequent 2656  
transfer, and (2) the fair market value of the subsequently 2657  
transferred assets at the time transferred, net of any related 2658  
liabilities, from sources enumerated in division (I) (3) (a) of 2659  
this section. The denominator of the revised qualifying ratio is 2660  
the fair market value of all the trust's assets immediately 2661  
after the subsequent transfer, net of any related liabilities. 2662

(iii) Whether a transfer to the trust is by or from any of 2663  
the sources enumerated in division (I) (3) (a) of this section 2664  
shall be ascertained without regard to the domicile of the 2665  
trust's beneficiaries. 2666

(e) For the purposes of division (I) (3) (a) (i) of this 2667  
section: 2668

(i) A trust is described in division (I) (3) (e) (i) of this 2669

section if the trust is a testamentary trust and the testator of 2670  
that testamentary trust was domiciled in this state at the time 2671  
of the testator's death for purposes of the taxes levied under 2672  
Chapter 5731. of the Revised Code. 2673

(ii) A trust is described in division (I) (3) (e) (ii) of 2674  
this section if the transfer is a qualifying transfer described 2675  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 2676  
trust is an irrevocable inter vivos trust, and at least one of 2677  
the trust's qualifying beneficiaries is domiciled in this state 2678  
for purposes of this chapter during all or some portion of the 2679  
trust's current taxable year. 2680

(f) For the purposes of division (I) (3) (e) (ii) of this 2681  
section, a "qualifying transfer" is a transfer of assets, net of 2682  
any related liabilities, directly or indirectly to a trust, if 2683  
the transfer is described in any of the following: 2684

(i) The transfer is made to a trust, created by the 2685  
decedent before the decedent's death and while the decedent was 2686  
domiciled in this state for the purposes of this chapter, and, 2687  
prior to the death of the decedent, the trust became irrevocable 2688  
while the decedent was domiciled in this state for the purposes 2689  
of this chapter. 2690

(ii) The transfer is made to a trust to which the 2691  
decedent, prior to the decedent's death, had directly or 2692  
indirectly transferred assets, net of any related liabilities, 2693  
while the decedent was domiciled in this state for the purposes 2694  
of this chapter, and prior to the death of the decedent the 2695  
trust became irrevocable while the decedent was domiciled in 2696  
this state for the purposes of this chapter. 2697

(iii) The transfer is made on account of a contractual 2698

relationship existing directly or indirectly between the 2699  
transferor and either the decedent or the estate of the decedent 2700  
at any time prior to the date of the decedent's death, and the 2701  
decedent was domiciled in this state at the time of death for 2702  
purposes of the taxes levied under Chapter 5731. of the Revised 2703  
Code. 2704

(iv) The transfer is made to a trust on account of a 2705  
contractual relationship existing directly or indirectly between 2706  
the transferor and another person who at the time of the 2707  
decedent's death was domiciled in this state for purposes of 2708  
this chapter. 2709

(v) The transfer is made to a trust on account of the will 2710  
of a testator who was domiciled in this state at the time of the 2711  
testator's death for purposes of the taxes levied under Chapter 2712  
5731. of the Revised Code. 2713

(vi) The transfer is made to a trust created by or caused 2714  
to be created by a court, and the trust was directly or 2715  
indirectly created in connection with or as a result of the 2716  
death of an individual who, for purposes of the taxes levied 2717  
under Chapter 5731. of the Revised Code, was domiciled in this 2718  
state at the time of the individual's death. 2719

(g) The tax commissioner may adopt rules to ascertain the 2720  
part of a trust residing in this state. 2721

(J) "Nonresident" means an individual or estate that is 2722  
not a resident. An individual who is a resident for only part of 2723  
a taxable year is a nonresident for the remainder of that 2724  
taxable year. 2725

(K) "Pass-through entity" has the same meaning as in 2726  
section 5733.04 of the Revised Code. 2727

(L) "Return" means the notifications and reports required 2728  
to be filed pursuant to this chapter for the purpose of 2729  
reporting the tax due and includes declarations of estimated tax 2730  
when so required. 2731

(M) "Taxable year" means the calendar year or the 2732  
taxpayer's fiscal year ending during the calendar year, or 2733  
fractional part thereof, upon which the adjusted gross income is 2734  
calculated pursuant to this chapter. 2735

(N) "Taxpayer" means any person subject to the tax imposed 2736  
by section 5747.02 of the Revised Code or any pass-through 2737  
entity that makes the election under division (D) of section 2738  
5747.08 of the Revised Code. 2739

(O) "Dependents" means dependents as defined in the 2740  
Internal Revenue Code and as claimed in the taxpayer's federal 2741  
income tax return for the taxable year or which the taxpayer 2742  
would have been permitted to claim had the taxpayer filed a 2743  
federal income tax return. 2744

(P) "Principal county of employment" means, in the case of 2745  
a nonresident, the county within the state in which a taxpayer 2746  
performs services for an employer or, if those services are 2747  
performed in more than one county, the county in which the major 2748  
portion of the services are performed. 2749

(Q) As used in sections 5747.50 to 5747.55 of the Revised 2750  
Code: 2751

(1) "Subdivision" means any county, municipal corporation, 2752  
park district, or township. 2753

(2) "Essential local government purposes" includes all 2754  
functions that any subdivision is required by general law to 2755  
exercise, including like functions that are exercised under a 2756

charter adopted pursuant to the Ohio Constitution. 2757

(R) "Overpayment" means any amount already paid that 2758  
exceeds the figure determined to be the correct amount of the 2759  
tax. 2760

(S) "Taxable income" or "Ohio taxable income" applies only 2761  
to estates and trusts, and means federal taxable income, as 2762  
defined and used in the Internal Revenue Code, adjusted as 2763  
follows: 2764

(1) Add interest or dividends, net of ordinary, necessary, 2765  
and reasonable expenses not deducted in computing federal 2766  
taxable income, on obligations or securities of any state or of 2767  
any political subdivision or authority of any state, other than 2768  
this state and its subdivisions and authorities, but only to the 2769  
extent that such net amount is not otherwise includible in Ohio 2770  
taxable income and is described in either division (S) (1) (a) or 2771  
(b) of this section: 2772

(a) The net amount is not attributable to the S portion of 2773  
an electing small business trust and has not been distributed to 2774  
beneficiaries for the taxable year; 2775

(b) The net amount is attributable to the S portion of an 2776  
electing small business trust for the taxable year. 2777

(2) Add interest or dividends, net of ordinary, necessary, 2778  
and reasonable expenses not deducted in computing federal 2779  
taxable income, on obligations of any authority, commission, 2780  
instrumentality, territory, or possession of the United States 2781  
to the extent that the interest or dividends are exempt from 2782  
federal income taxes but not from state income taxes, but only 2783  
to the extent that such net amount is not otherwise includible 2784  
in Ohio taxable income and is described in either division (S) 2785



(1) (a) or (b) of this section;	2786
(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;	2787 2788
(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from state taxes under the laws of the United States, but only to the extent that such amount is included in federal taxable income and is described in either division (S) (1) (a) or (b) of this section;	2789 2790 2791 2792 2793 2794 2795 2796 2797
(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect, but only to the extent such amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;	2798 2799 2800 2801 2802 2803 2804 2805 2806
(6) Deduct any interest or interest equivalent, net of related expenses deducted in computing federal taxable income, on public obligations and purchase obligations, but only to the extent that such net amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;	2807 2808 2809 2810 2811 2812 2813
(7) Add any loss or deduct any gain resulting from sale,	2814

exchange, or other disposition of public obligations to the 2815  
extent that such loss has been deducted or such gain has been 2816  
included in computing either federal taxable income or income of 2817  
the S portion of an electing small business trust for the 2818  
taxable year; 2819

(8) Except in the case of the final return of an estate, 2820  
add any amount deducted by the taxpayer on both its Ohio estate 2821  
tax return pursuant to section 5731.14 of the Revised Code, and 2822  
on its federal income tax return in determining federal taxable 2823  
income; 2824

(9) (a) Deduct any amount included in federal taxable 2825  
income solely because the amount represents a reimbursement or 2826  
refund of expenses that in a previous year the decedent had 2827  
deducted as an itemized deduction pursuant to section 63 of the 2828  
Internal Revenue Code and applicable treasury regulations. The 2829  
deduction otherwise allowed under division (S) (9) (a) of this 2830  
section shall be reduced to the extent the reimbursement is 2831  
attributable to an amount the taxpayer or decedent deducted 2832  
under this section in any taxable year. 2833

(b) Add any amount not otherwise included in Ohio taxable 2834  
income for any taxable year to the extent that the amount is 2835  
attributable to the recovery during the taxable year of any 2836  
amount deducted or excluded in computing federal or Ohio taxable 2837  
income in any taxable year, but only to the extent such amount 2838  
has not been distributed to beneficiaries for the taxable year. 2839

(10) Deduct any portion of the deduction described in 2840  
section 1341(a) (2) of the Internal Revenue Code, for repaying 2841  
previously reported income received under a claim of right, that 2842  
meets both of the following requirements: 2843

(a) It is allowable for repayment of an item that was 2844  
included in the taxpayer's taxable income or the decedent's 2845  
adjusted gross income for a prior taxable year and did not 2846  
qualify for a credit under division (A) or (B) of section 2847  
5747.05 of the Revised Code for that year. 2848

(b) It does not otherwise reduce the taxpayer's taxable 2849  
income or the decedent's adjusted gross income for the current 2850  
or any other taxable year. 2851

(11) Add any amount claimed as a credit under section 2852  
5747.059 or 5747.65 of the Revised Code to the extent that the 2853  
amount satisfies either of the following: 2854

(a) The amount was deducted or excluded from the 2855  
computation of the taxpayer's federal taxable income as required 2856  
to be reported for the taxpayer's taxable year under the 2857  
Internal Revenue Code; 2858

(b) The amount resulted in a reduction in the taxpayer's 2859  
federal taxable income as required to be reported for any of the 2860  
taxpayer's taxable years under the Internal Revenue Code. 2861

(12) Deduct any amount, net of related expenses deducted 2862  
in computing federal taxable income, that a trust is required to 2863  
report as farm income on its federal income tax return, but only 2864  
if the assets of the trust include at least ten acres of land 2865  
satisfying the definition of "land devoted exclusively to 2866  
agricultural use" under section 5713.30 of the Revised Code, 2867  
regardless of whether the land is valued for tax purposes as 2868  
such land under sections 5713.30 to 5713.38 of the Revised Code. 2869  
If the trust is a pass-through entity investor, section 5747.231 2870  
of the Revised Code applies in ascertaining if the trust is 2871  
eligible to claim the deduction provided by division (S)(12) of 2872

this section in connection with the pass-through entity's farm income.	2873 2874
Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S) (12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S) (12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter.	2875 2876 2877 2878 2879 2880
(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income.	2881 2882 2883
(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A) (20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S) (14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter.	2884 2885 2886 2887 2888 2889 2890
(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.	2891 2892 2893
(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.	2894 2895 2896 2897
(V) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.	2898 2899 2900
(W) "Pass-through entity investor" means any person who,	2901

during any portion of a taxable year of a pass-through entity, 2902  
is a partner, member, shareholder, or equity investor in that 2903  
pass-through entity. 2904

(X) "Banking day" has the same meaning as in section 2905  
1304.01 of the Revised Code. 2906

(Y) "Month" means a calendar month. 2907

(Z) "Quarter" means the first three months, the second 2908  
three months, the third three months, or the last three months 2909  
of the taxpayer's taxable year. 2910

(AA) (1) "Eligible institution" means a state university or 2911  
state institution of higher education as defined in section 2912  
3345.011 of the Revised Code, or a private, nonprofit college, 2913  
university, or other post-secondary institution located in this 2914  
state that possesses a certificate of authorization issued by 2915  
the chancellor of higher education pursuant to Chapter 1713. of 2916  
the Revised Code or a certificate of registration issued by the 2917  
state board of career colleges and schools under Chapter 3332. 2918  
of the Revised Code. 2919

(2) "Qualified tuition and fees" means tuition and fees 2920  
imposed by an eligible institution as a condition of enrollment 2921  
or attendance, not exceeding two thousand five hundred dollars 2922  
in each of the individual's first two years of post-secondary 2923  
education. If the individual is a part-time student, "qualified 2924  
tuition and fees" includes tuition and fees paid for the 2925  
academic equivalent of the first two years of post-secondary 2926  
education during a maximum of five taxable years, not exceeding 2927  
a total of five thousand dollars. "Qualified tuition and fees" 2928  
does not include: 2929

(a) Expenses for any course or activity involving sports, 2930

games, or hobbies unless the course or activity is part of the individual's degree or diploma program; 2931  
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(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction; 2933  
2934  
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(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program. 2936  
2937  
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(BB) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any. 2939  
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(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied: 2943  
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(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust. 2949  
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(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss. 2954  
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Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be. 2957  
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(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB) (4) (a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount

with respect to more than one qualifying investee, the amount 2989  
described in division (BB) (4) (b) of this section shall equal the 2990  
sum of the products so computed for each such qualifying 2991  
investee. 2992

(c) (i) With respect to a trust or portion of a trust that 2993  
is a resident as ascertained in accordance with division (I) (3) 2994  
(d) of this section, its modified nonbusiness income. 2995

(ii) With respect to a trust or portion of a trust that is 2996  
not a resident as ascertained in accordance with division (I) (3) 2997  
(d) of this section, the amount of its modified nonbusiness 2998  
income satisfying the descriptions in divisions (B) (2) to (5) of 2999  
section 5747.20 of the Revised Code, except as otherwise 3000  
provided in division (BB) (4) (c) (ii) of this section. With 3001  
respect to a trust or portion of a trust that is not a resident 3002  
as ascertained in accordance with division (I) (3) (d) of this 3003  
section, the trust's portion of modified nonbusiness income 3004  
recognized from the sale, exchange, or other disposition of a 3005  
debt interest in or equity interest in a section 5747.212 3006  
entity, as defined in section 5747.212 of the Revised Code, 3007  
without regard to division (A) of that section, shall not be 3008  
allocated to this state in accordance with section 5747.20 of 3009  
the Revised Code but shall be apportioned to this state in 3010  
accordance with division (B) of section 5747.212 of the Revised 3011  
Code without regard to division (A) of that section. 3012

If the allocation and apportionment of a trust's income 3013  
under divisions (BB) (4) (a) and (c) of this section do not fairly 3014  
represent the modified Ohio taxable income of the trust in this 3015  
state, the alternative methods described in division (C) of 3016  
section 5747.21 of the Revised Code may be applied in the manner 3017  
and to the same extent provided in that section. 3018



(5) (a) Except as set forth in division (BB) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB) (2) (a) of this section and for the purpose of computing the fraction described in division (BB) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB) (5) (a) (iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the 3080  
taxable year and with respect to a part of a trust that is not a 3081  
resident for the taxable year, "qualifying investee" for that 3082  
taxable year does not include a C corporation if both of the 3083  
following apply: 3084

(i) During the taxable year the trust or part of the trust 3085  
recognizes a gain or loss from the sale, exchange, or other 3086  
disposition of equity or ownership interests in, or debt 3087  
obligations of, the C corporation. 3088

(ii) Such gain or loss constitutes nonbusiness income. 3089

(6) "Available" means information is such that a person is 3090  
able to learn of the information by the due date plus 3091  
extensions, if any, for filing the return for the taxable year 3092  
in which the trust recognizes the gain or loss. 3093

(CC) "Qualifying controlled group" has the same meaning as 3094  
in section 5733.04 of the Revised Code. 3095

(DD) "Related member" has the same meaning as in section 3096  
5733.042 of the Revised Code. 3097

(EE) (1) For the purposes of division (EE) of this section: 3098

(a) "Qualifying person" means any person other than a 3099  
qualifying corporation. 3100

(b) "Qualifying corporation" means any person classified 3101  
for federal income tax purposes as an association taxable as a 3102  
corporation, except either of the following: 3103

(i) A corporation that has made an election under 3104  
subchapter S, chapter one, subtitle A, of the Internal Revenue 3105  
Code for its taxable year ending within, or on the last day of, 3106  
the investor's taxable year; 3107

(ii) A subsidiary that is wholly owned by any corporation 3108  
that has made an election under subchapter S, chapter one, 3109  
subtitle A of the Internal Revenue Code for its taxable year 3110  
ending within, or on the last day of, the investor's taxable 3111  
year. 3112

(2) For the purposes of this chapter, unless expressly 3113  
stated otherwise, no qualifying person indirectly owns any asset 3114  
directly or indirectly owned by any qualifying corporation. 3115

(FF) For purposes of this chapter and Chapter 5751. of the 3116  
Revised Code: 3117

(1) "Trust" does not include a qualified pre-income tax 3118  
trust. 3119

(2) A "qualified pre-income tax trust" is any pre-income 3120  
tax trust that makes a qualifying pre-income tax trust election 3121  
as described in division (FF)(3) of this section. 3122

(3) A "qualifying pre-income tax trust election" is an 3123  
election by a pre-income tax trust to subject to the tax imposed 3124  
by section 5751.02 of the Revised Code the pre-income tax trust 3125  
and all pass-through entities of which the trust owns or 3126  
controls, directly, indirectly, or constructively through 3127  
related interests, five per cent or more of the ownership or 3128  
equity interests. The trustee shall notify the tax commissioner 3129  
in writing of the election on or before April 15, 2006. The 3130  
election, if timely made, shall be effective on and after 3131  
January 1, 2006, and shall apply for all tax periods and tax 3132  
years until revoked by the trustee of the trust. 3133

(4) A "pre-income tax trust" is a trust that satisfies all 3134  
of the following requirements: 3135

(a) The document or instrument creating the trust was 3136

executed by the grantor before January 1, 1972; 3137

(b) The trust became irrevocable upon the creation of the 3138  
trust; and 3139

(c) The grantor was domiciled in this state at the time 3140  
the trust was created. 3141

(GG) "Uniformed services" has the same meaning as in 10 3142  
U.S.C. 101. 3143

(HH) "Taxable business income" means the amount by which 3144  
an individual's business income that is included in federal 3145  
adjusted gross income exceeds the amount of business income the 3146  
individual is authorized to deduct under division (A) (31) of 3147  
this section for the taxable year. 3148

**Sec. 5751.01.** As used in this chapter: 3149

(A) "Person" means, but is not limited to, individuals, 3150  
combinations of individuals of any form, receivers, assignees, 3151  
trustees in bankruptcy, firms, companies, joint-stock companies, 3152  
business trusts, estates, partnerships, limited liability 3153  
partnerships, limited liability companies, associations, joint 3154  
ventures, clubs, societies, for-profit corporations, S 3155  
corporations, qualified subchapter S subsidiaries, qualified 3156  
subchapter S trusts, trusts, entities that are disregarded for 3157  
federal income tax purposes, and any other entities. 3158

(B) "Consolidated elected taxpayer" means a group of two 3159  
or more persons treated as a single taxpayer for purposes of 3160  
this chapter as the result of an election made under section 3161  
5751.011 of the Revised Code. 3162

(C) "Combined taxpayer" means a group of two or more 3163  
persons treated as a single taxpayer for purposes of this 3164

chapter under section 5751.012 of the Revised Code. 3165

(D) "Taxpayer" means any person, or any group of persons 3166  
in the case of a consolidated elected taxpayer or combined 3167  
taxpayer treated as one taxpayer, required to register or pay 3168  
tax under this chapter. "Taxpayer" does not include excluded 3169  
persons. 3170

(E) "Excluded person" means any of the following: 3171

(1) Any person with not more than one hundred fifty 3172  
thousand dollars of taxable gross receipts during the calendar 3173  
year. Division (E)(1) of this section does not apply to a person 3174  
that is a member of a consolidated elected taxpayer; 3175

(2) A public utility that paid the excise tax imposed by 3176  
section 5727.24 or 5727.30 of the Revised Code based on one or 3177  
more measurement periods that include the entire tax period 3178  
under this chapter, except that a public utility that is a 3179  
combined company is a taxpayer with regard to the following 3180  
gross receipts: 3181

(a) Taxable gross receipts directly attributed to a public 3182  
utility activity, but not directly attributed to an activity 3183  
that is subject to the excise tax imposed by section 5727.24 or 3184  
5727.30 of the Revised Code; 3185

(b) Taxable gross receipts that cannot be directly 3186  
attributed to any activity, multiplied by a fraction whose 3187  
numerator is the taxable gross receipts described in division 3188  
(E)(2)(a) of this section and whose denominator is the total 3189  
taxable gross receipts that can be directly attributed to any 3190  
activity; 3191

(c) Except for any differences resulting from the use of 3192  
an accrual basis method of accounting for purposes of 3193

determining gross receipts under this chapter and the use of the 3194  
cash basis method of accounting for purposes of determining 3195  
gross receipts under section 5727.24 of the Revised Code, the 3196  
gross receipts directly attributed to the activity of a natural 3197  
gas company shall be determined in a manner consistent with 3198  
division (D) of section 5727.03 of the Revised Code. 3199

As used in division (E) (2) of this section, "combined 3200  
company" and "public utility" have the same meanings as in 3201  
section 5727.01 of the Revised Code. 3202

(3) A financial institution, as defined in section 5726.01 3203  
of the Revised Code, that paid the tax imposed by section 3204  
5726.02 of the Revised Code based on one or more taxable years 3205  
that include the entire tax period under this chapter; 3206

(4) A person directly or indirectly owned by one or more 3207  
financial institutions, as defined in section 5726.01 of the 3208  
Revised Code, that paid the tax imposed by section 5726.02 of 3209  
the Revised Code based on one or more taxable years that include 3210  
the entire tax period under this chapter. 3211

For the purposes of division (E) (4) of this section, a 3212  
person owns another person under the following circumstances: 3213

(a) In the case of corporations issuing capital stock, one 3214  
corporation owns another corporation if it owns fifty per cent 3215  
or more of the other corporation's capital stock with current 3216  
voting rights; 3217

(b) In the case of a limited liability company, one person 3218  
owns the company if that person's membership interest, as 3219  
defined in section 1705.01 of the Revised Code, is fifty per 3220  
cent or more of the combined membership interests of all persons 3221  
owning such interests in the company; 3222

(c) In the case of a partnership, trust, or other 3223  
unincorporated business organization other than a limited 3224  
liability company, one person owns the organization if, under 3225  
the articles of organization or other instrument governing the 3226  
affairs of the organization, that person has a beneficial 3227  
interest in the organization's profits, surpluses, losses, or 3228  
distributions of fifty per cent or more of the combined 3229  
beneficial interests of all persons having such an interest in 3230  
the organization. 3231

(5) A domestic insurance company or foreign insurance 3232  
company, as defined in section 5725.01 of the Revised Code, that 3233  
paid the insurance company premiums tax imposed by section 3234  
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 3235  
insurance company whose gross premiums are subject to tax under 3236  
section 3905.36 of the Revised Code based on one or more 3237  
measurement periods that include the entire tax period under 3238  
this chapter; 3239

(6) A person that solely facilitates or services one or 3240  
more securitizations of phase-in-recovery property pursuant to a 3241  
final financing order as those terms are defined in section 3242  
4928.23 of the Revised Code. For purposes of this division, 3243  
"securitization" means transferring one or more assets to one or 3244  
more persons and then issuing securities backed by the right to 3245  
receive payment from the asset or assets so transferred. 3246

(7) Except as otherwise provided in this division, a pre- 3247  
income tax trust as defined in division (FF) (4) of section 3248  
5747.01 of the Revised Code and any pass-through entity of which 3249  
such pre-income tax trust owns or controls, directly, 3250  
indirectly, or constructively through related interests, more 3251  
than five per cent of the ownership or equity interests. If the 3252



pre-income tax trust has made a qualifying pre-income tax trust 3253  
election under division (FF) (3) of section 5747.01 of the 3254  
Revised Code, then the trust and the pass-through entities of 3255  
which it owns or controls, directly, indirectly, or 3256  
constructively through related interests, more than five per 3257  
cent of the ownership or equity interests, shall not be excluded 3258  
persons for purposes of the tax imposed under section 5751.02 of 3259  
the Revised Code. 3260

(8) Nonprofit organizations or the state and its agencies, 3261  
instrumentalities, or political subdivisions. 3262

(F) Except as otherwise provided in divisions (F) (2), (3), 3263  
and (4) of this section, "gross receipts" means the total amount 3264  
realized by a person, without deduction for the cost of goods 3265  
sold or other expenses incurred, that contributes to the 3266  
production of gross income of the person, including the fair 3267  
market value of any property and any services received, and any 3268  
debt transferred or forgiven as consideration. 3269

(1) The following are examples of gross receipts: 3270

(a) Amounts realized from the sale, exchange, or other 3271  
disposition of the taxpayer's property to or with another; 3272

(b) Amounts realized from the taxpayer's performance of 3273  
services for another; 3274

(c) Amounts realized from another's use or possession of 3275  
the taxpayer's property or capital; 3276

(d) Any combination of the foregoing amounts. 3277

(2) "Gross receipts" excludes the following amounts: 3278

(a) Interest income except interest on credit sales; 3279

(b) Dividends and distributions from corporations, and 3280  
distributive or proportionate shares of receipts and income from 3281  
a pass-through entity as defined under section 5733.04 of the 3282  
Revised Code; 3283

(c) Receipts from the sale, exchange, or other disposition 3284  
of an asset described in section 1221 or 1231 of the Internal 3285  
Revenue Code, without regard to the length of time the person 3286  
held the asset. Notwithstanding section 1221 of the Internal 3287  
Revenue Code, receipts from hedging transactions also are 3288  
excluded to the extent the transactions are entered into 3289  
primarily to protect a financial position, such as managing the 3290  
risk of exposure to (i) foreign currency fluctuations that 3291  
affect assets, liabilities, profits, losses, equity, or 3292  
investments in foreign operations; (ii) interest rate 3293  
fluctuations; or (iii) commodity price fluctuations. As used in 3294  
division (F)(2)(c) of this section, "hedging transaction" has 3295  
the same meaning as used in section 1221 of the Internal Revenue 3296  
Code and also includes transactions accorded hedge accounting 3297  
treatment under statement of financial accounting standards 3298  
number 133 of the financial accounting standards board. For the 3299  
purposes of division (F)(2)(c) of this section, the actual 3300  
transfer of title of real or tangible personal property to 3301  
another entity is not a hedging transaction. 3302

(d) Proceeds received attributable to the repayment, 3303  
maturity, or redemption of the principal of a loan, bond, mutual 3304  
fund, certificate of deposit, or marketable instrument; 3305

(e) The principal amount received under a repurchase 3306  
agreement or on account of any transaction properly 3307  
characterized as a loan to the person; 3308

(f) Contributions received by a trust, plan, or other 3309

arrangement, any of which is described in section 501(a) of the Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 1, Subchapter (D) of the Internal Revenue Code applies;

(g) Compensation, whether current or deferred, and whether in cash or in kind, received or to be received by an employee, former employee, or the employee's legal successor for services rendered to or for an employer, including reimbursements received by or for an individual for medical or education expenses, health insurance premiums, or employee expenses, or on account of a dependent care spending account, legal services plan, any cafeteria plan described in section 125 of the Internal Revenue Code, or any similar employee reimbursement;

(h) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts, or calls, or from the sale of the taxpayer's treasury stock;

(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;

(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;

(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;

(l) Property, money, and other amounts received or

acquired by an agent on behalf of another in excess of the 3339  
agent's commission, fee, or other remuneration; 3340

(m) Tax refunds, other tax benefit recoveries, and 3341  
reimbursements for the tax imposed under this chapter made by 3342  
entities that are part of the same combined taxpayer or 3343  
consolidated elected taxpayer group, and reimbursements made by 3344  
entities that are not members of a combined taxpayer or 3345  
consolidated elected taxpayer group that are required to be made 3346  
for economic parity among multiple owners of an entity whose tax 3347  
obligation under this chapter is required to be reported and 3348  
paid entirely by one owner, pursuant to the requirements of 3349  
sections 5751.011 and 5751.012 of the Revised Code; 3350

(n) Pension reversions; 3351

(o) Contributions to capital; 3352

(p) Sales or use taxes collected as a vendor or an out-of- 3353  
state seller on behalf of the taxing jurisdiction from a 3354  
consumer or other taxes the taxpayer is required by law to 3355  
collect directly from a purchaser and remit to a local, state, 3356  
or federal tax authority; 3357

(q) In the case of receipts from the sale of cigarettes or 3358  
tobacco products by a wholesale dealer, retail dealer, 3359  
distributor, manufacturer, or seller, all as defined in section 3360  
5743.01 of the Revised Code, an amount equal to the federal and 3361  
state excise taxes paid by any person on or for such cigarettes 3362  
or tobacco products under subtitle E of the Internal Revenue 3363  
Code or Chapter 5743. of the Revised Code; 3364

(r) In the case of receipts from the sale, transfer, 3365  
exchange, or other disposition of motor fuel as "motor fuel" is 3366  
defined in section 5736.01 of the Revised Code, an amount equal 3367

to the value of the motor fuel, including federal and state 3368  
motor fuel excise taxes and receipts from billing or invoicing 3369  
the tax imposed under section 5736.02 of the Revised Code to 3370  
another person; 3371

(s) In the case of receipts from the sale of beer or 3372  
intoxicating liquor, as defined in section 4301.01 of the 3373  
Revised Code, by a person holding a permit issued under Chapter 3374  
4301. or 4303. of the Revised Code, an amount equal to federal 3375  
and state excise taxes paid by any person on or for such beer or 3376  
intoxicating liquor under subtitle E of the Internal Revenue 3377  
Code or Chapter 4301. or 4305. of the Revised Code; 3378

(t) Receipts realized by a new motor vehicle dealer or 3379  
used motor vehicle dealer, as defined in section 4517.01 of the 3380  
Revised Code, from the sale or other transfer of a motor 3381  
vehicle, as defined in that section, to another motor vehicle 3382  
dealer for the purpose of resale by the transferee motor vehicle 3383  
dealer, but only if the sale or other transfer was based upon 3384  
the transferee's need to meet a specific customer's preference 3385  
for a motor vehicle; 3386

(u) Receipts from a financial institution described in 3387  
division (E)(3) of this section for services provided to the 3388  
financial institution in connection with the issuance, 3389  
processing, servicing, and management of loans or credit 3390  
accounts, if such financial institution and the recipient of 3391  
such receipts have at least fifty per cent of their ownership 3392  
interests owned or controlled, directly or constructively 3393  
through related interests, by common owners; 3394

(v) Receipts realized from administering anti-neoplastic 3395  
drugs and other cancer chemotherapy, biologicals, therapeutic 3396  
agents, and supportive drugs in a physician's office to patients 3397

with cancer; 3398

(w) Funds received or used by a mortgage broker that is 3399  
not a dealer in intangibles, other than fees or other 3400  
consideration, pursuant to a table-funding mortgage loan or 3401  
warehouse-lending mortgage loan. Terms used in division (F) (2) 3402  
(w) of this section have the same meanings as in section 1322.01 3403  
of the Revised Code, except "mortgage broker" means a person 3404  
assisting a buyer in obtaining a mortgage loan for a fee or 3405  
other consideration paid by the buyer or a lender, or a person 3406  
engaged in table-funding or warehouse-lending mortgage loans 3407  
that are first lien mortgage loans. 3408

(x) Property, money, and other amounts received by a 3409  
professional employer organization, as defined in section 3410  
4125.01 of the Revised Code, from a client employer, as defined 3411  
in that section, in excess of the administrative fee charged by 3412  
the professional employer organization to the client employer; 3413

(y) In the case of amounts retained as commissions by a 3414  
permit holder under Chapter 3769. of the Revised Code, an amount 3415  
equal to the amounts specified under that chapter that must be 3416  
paid to or collected by the tax commissioner as a tax and the 3417  
amounts specified under that chapter to be used as purse money; 3418

(z) Qualifying distribution center receipts. 3419

(i) For purposes of division (F) (2) (z) of this section: 3420

(I) "Qualifying distribution center receipts" means 3421  
receipts of a supplier from qualified property that is delivered 3422  
to a qualified distribution center, multiplied by a quantity 3423  
that equals one minus the Ohio delivery percentage. If the 3424  
qualified distribution center is a refining facility, "supplier" 3425  
includes all dealers, brokers, processors, sellers, vendors, 3426

cosigners, and distributors of qualified property. 3427

(II) "Qualified property" means tangible personal property 3428  
delivered to a qualified distribution center that is shipped to 3429  
that qualified distribution center solely for further shipping 3430  
by the qualified distribution center to another location in this 3431  
state or elsewhere or, in the case of gold, silver, platinum, or 3432  
palladium delivered to a refining facility solely for refining 3433  
to a grade and fineness acceptable for delivery to a registered 3434  
commodities exchange. "Further shipping" includes storing and 3435  
repackaging property into smaller or larger bundles, so long as 3436  
the property is not subject to further manufacturing or 3437  
processing. "Refining" is limited to extracting impurities from 3438  
gold, silver, platinum, or palladium through smelting or some 3439  
other process at a refining facility. 3440

(III) "Qualified distribution center" means a warehouse, a 3441  
facility similar to a warehouse, or a refining facility in this 3442  
state that, for the qualifying year, is operated by a person 3443  
that is not part of a combined taxpayer group and that has a 3444  
qualifying certificate. All warehouses or facilities similar to 3445  
warehouses that are operated by persons in the same taxpayer 3446  
group and that are located within one mile of each other shall 3447  
be treated as one qualified distribution center. All refining 3448  
facilities that are operated by persons in the same taxpayer 3449  
group and that are located in the same or adjacent counties may 3450  
be treated as one qualified distribution center. 3451

(IV) "Qualifying year" means the calendar year to which 3452  
the qualifying certificate applies. 3453

(V) "Qualifying period" means the period of the first day 3454  
of July of the second year preceding the qualifying year through 3455  
the thirtieth day of June of the year preceding the qualifying 3456

year. 3457

(VI) "Qualifying certificate" means the certificate issued 3458  
by the tax commissioner after the operator of a distribution 3459  
center files an annual application with the commissioner. The 3460  
application and annual fee shall be filed and paid for each 3461  
qualified distribution center on or before the first day of 3462  
September before the qualifying year or within forty-five days 3463  
after the distribution center opens, whichever is later. 3464

The applicant must substantiate to the commissioner's 3465  
satisfaction that, for the qualifying period, all persons 3466  
operating the distribution center have more than fifty per cent 3467  
of the cost of the qualified property shipped to a location such 3468  
that it would be situated outside this state under the provisions 3469  
of division (E) of section 5751.033 of the Revised Code. The 3470  
applicant must also substantiate that the distribution center 3471  
cumulatively had costs from its suppliers equal to or exceeding 3472  
five hundred million dollars during the qualifying period. (For 3473  
purposes of division (F)(2)(z)(i)(VI) of this section, 3474  
"supplier" excludes any person that is part of the consolidated 3475  
elected taxpayer group, if applicable, of the operator of the 3476  
qualified distribution center.) The commissioner may require the 3477  
applicant to have an independent certified public accountant 3478  
certify that the calculation of the minimum thresholds required 3479  
for a qualified distribution center by the operator of a 3480  
distribution center has been made in accordance with generally 3481  
accepted accounting principles. The commissioner shall issue or 3482  
deny the issuance of a certificate within sixty days after the 3483  
receipt of the application. A denial is subject to appeal under 3484  
section 5717.02 of the Revised Code. If the operator files a 3485  
timely appeal under section 5717.02 of the Revised Code, the 3486  
operator shall be granted a qualifying certificate effective for 3487



the remainder of the qualifying year or until the appeal is 3488  
finalized, whichever is earlier. If the operator does not 3489  
prevail in the appeal, the operator shall pay the ineligible 3490  
operator's supplier tax liability. 3491

(VII) "Ohio delivery percentage" means the proportion of 3492  
the total property delivered to a destination inside Ohio from 3493  
the qualified distribution center during the qualifying period 3494  
compared with total deliveries from such distribution center 3495  
everywhere during the qualifying period. 3496

(VIII) "Refining facility" means one or more buildings 3497  
located in a county in the Appalachian region of this state as 3498  
defined by section 107.21 of the Revised Code and utilized for 3499  
refining or smelting gold, silver, platinum, or palladium to a 3500  
grade and fineness acceptable for delivery to a registered 3501  
commodities exchange. 3502

(IX) "Registered commodities exchange" means a board of 3503  
trade, such as New York mercantile exchange, inc. or commodity 3504  
exchange, inc., designated as a contract market by the commodity 3505  
futures trading commission under the "Commodity Exchange Act," 7 3506  
U.S.C. 1 et seq., as amended. 3507

(X) "Ineligible operator's supplier tax liability" means 3508  
an amount equal to the tax liability of all suppliers of a 3509  
distribution center had the distribution center not been issued 3510  
a qualifying certificate for the qualifying year. Ineligible 3511  
operator's supplier tax liability shall not include interest or 3512  
penalties. The tax commissioner shall determine an ineligible 3513  
operator's supplier tax liability based on information that the 3514  
commissioner may request from the operator of the distribution 3515  
center. An operator shall provide a list of all suppliers of the 3516  
distribution center and the corresponding costs of qualified 3517

property for the qualifying year at issue within sixty days of a 3518  
request by the commissioner under this division. 3519

(ii) (I) If the distribution center is new and was not open 3520  
for the entire qualifying period, the operator of the 3521  
distribution center may request that the commissioner grant a 3522  
qualifying certificate. If the certificate is granted and it is 3523  
later determined that more than fifty per cent of the qualified 3524  
property during that year was not shipped to a location such 3525  
that it would be situated outside of this state under the 3526  
provisions of division (E) of section 5751.033 of the Revised 3527  
Code or if it is later determined that the person that operates 3528  
the distribution center had average monthly costs from its 3529  
suppliers of less than forty million dollars during that year, 3530  
then the operator of the distribution center shall pay the 3531  
ineligible operator's supplier tax liability. (For purposes of 3532  
division (F) (2) (z) (ii) of this section, "supplier" excludes any 3533  
person that is part of the consolidated elected taxpayer group, 3534  
if applicable, of the operator of the qualified distribution 3535  
center.) 3536

(II) The commissioner may grant a qualifying certificate 3537  
to a distribution center that does not qualify as a qualified 3538  
distribution center for an entire qualifying period if the 3539  
operator of the distribution center demonstrates that the 3540  
business operations of the distribution center have changed or 3541  
will change such that the distribution center will qualify as a 3542  
qualified distribution center within thirty-six months after the 3543  
date the operator first applies for a certificate. If, at the 3544  
end of that thirty-six-month period, the business operations of 3545  
the distribution center have not changed such that the 3546  
distribution center qualifies as a qualified distribution 3547  
center, the operator of the distribution center shall pay the 3548

ineligible operator's supplier tax liability for each year that 3549  
the distribution center received a certificate but did not 3550  
qualify as a qualified distribution center. For each year the 3551  
distribution center receives a certificate under division (F) (2) 3552  
(z) (ii) (II) of this section, the distribution center shall pay 3553  
all applicable fees required under division (F) (2) (z) of this 3554  
section and shall submit an updated business plan showing the 3555  
progress the distribution center made toward qualifying as a 3556  
qualified distribution center during the preceding year. 3557

(III) An operator may appeal a determination under 3558  
division (F) (2) (z) (ii) (I) or (II) of this section that the 3559  
ineligible operator is liable for the operator's supplier tax 3560  
liability as a result of not qualifying as a qualified 3561  
distribution center, as provided in section 5717.02 of the 3562  
Revised Code. 3563

(iii) When filing an application for a qualifying 3564  
certificate under division (F) (2) (z) (i) (VI) of this section, the 3565  
operator of a qualified distribution center also shall provide 3566  
documentation, as the commissioner requires, for the 3567  
commissioner to ascertain the Ohio delivery percentage. The 3568  
commissioner, upon issuing the qualifying certificate, also 3569  
shall certify the Ohio delivery percentage. The operator of the 3570  
qualified distribution center may appeal the commissioner's 3571  
certification of the Ohio delivery percentage in the same manner 3572  
as an appeal is taken from the denial of a qualifying 3573  
certificate under division (F) (2) (z) (i) (VI) of this section. 3574

(iv) (I) In the case where the distribution center is new 3575  
and not open for the entire qualifying period, the operator 3576  
shall make a good faith estimate of an Ohio delivery percentage 3577  
for use by suppliers in their reports of taxable gross receipts 3578

for the remainder of the qualifying period. The operator of the 3579  
facility shall disclose to the suppliers that such Ohio delivery 3580  
percentage is an estimate and is subject to recalculation. By 3581  
the due date of the next application for a qualifying 3582  
certificate, the operator shall determine the actual Ohio 3583  
delivery percentage for the estimated qualifying period and 3584  
proceed as provided in division (F) (2) (z) (iii) of this section 3585  
with respect to the calculation and recalculation of the Ohio 3586  
delivery percentage. The supplier is required to file, within 3587  
sixty days after receiving notice from the operator of the 3588  
qualified distribution center, amended reports for the impacted 3589  
calendar quarter or quarters or calendar year, whichever the 3590  
case may be. Any additional tax liability or tax overpayment 3591  
shall be subject to interest but shall not be subject to the 3592  
imposition of any penalty so long as the amended returns are 3593  
timely filed. 3594

(II) The operator of a distribution center that receives a 3595  
qualifying certificate under division (F) (2) (z) (ii) (II) of this 3596  
section shall make a good faith estimate of the Ohio delivery 3597  
percentage that the operator estimates will apply to the 3598  
distribution center at the end of the thirty-six-month period 3599  
after the operator first applied for a qualifying certificate 3600  
under that division. The result of the estimate shall be 3601  
multiplied by a factor of one and seventy-five one-hundredths. 3602  
The product of that calculation shall be the Ohio delivery 3603  
percentage used by suppliers in their reports of taxable gross 3604  
receipts for each qualifying year that the distribution center 3605  
receives a qualifying certificate under division (F) (2) (z) (ii) 3606  
(II) of this section, except that, if the product is less than 3607  
five per cent, the Ohio delivery percentage used shall be five 3608  
per cent and that, if the product exceeds forty-nine per cent, 3609

the Ohio delivery percentage used shall be forty-nine per cent. 3610

(v) Qualifying certificates and Ohio delivery percentages 3611  
issued by the commissioner shall be open to public inspection 3612  
and shall be timely published by the commissioner. A supplier 3613  
relying in good faith on a certificate issued under this 3614  
division shall not be subject to tax on the qualifying 3615  
distribution center receipts under division (F) (2) (z) of this 3616  
section. An operator receiving a qualifying certificate is 3617  
liable for the ineligible operator's supplier tax liability for 3618  
each year the operator received a certificate but did not 3619  
qualify as a qualified distribution center. 3620

(vi) The annual fee for a qualifying certificate shall be 3621  
one hundred thousand dollars for each qualified distribution 3622  
center. If a qualifying certificate is not issued, the annual 3623  
fee is subject to refund after the exhaustion of all appeals 3624  
provided for in division (F) (2) (z) (i) (VI) of this section. The 3625  
first one hundred thousand dollars of the annual application 3626  
fees collected each calendar year shall be credited to the 3627  
revenue enhancement fund. The remainder of the annual 3628  
application fees collected shall be distributed in the same 3629  
manner required under section 5751.20 of the Revised Code. 3630

(vii) The tax commissioner may require that adequate 3631  
security be posted by the operator of the distribution center on 3632  
appeal when the commissioner disagrees that the applicant has 3633  
met the minimum thresholds for a qualified distribution center 3634  
as set forth in division (F) (2) (z) of this section. 3635

(aa) Receipts of an employer from payroll deductions 3636  
relating to the reimbursement of the employer for advancing 3637  
moneys to an unrelated third party on an employee's behalf; 3638

(bb) Cash discounts allowed and taken;	3639
(cc) Returns and allowances;	3640
(dd) Bad debts from receipts on the basis of which the tax imposed by this chapter was paid in a prior quarterly tax payment period. For the purpose of this division, "bad debts" means any debts that have become worthless or uncollectible between the preceding and current quarterly tax payment periods, have been uncollected for at least six months, and that may be claimed as a deduction under section 166 of the Internal Revenue Code and the regulations adopted under that section, or that could be claimed as such if the taxpayer kept its accounts on the accrual basis. "Bad debts" does not include repossessed property, uncollectible amounts on property that remains in the possession of the taxpayer until the full purchase price is paid, or expenses in attempting to collect any account receivable or for any portion of the debt recovered;	3641 3642 3643 3644 3645 3646 3647 3648 3649 3650 3651 3652 3653 3654
(ee) Any amount realized from the sale of an account receivable to the extent the receipts from the underlying transaction giving rise to the account receivable were included in the gross receipts of the taxpayer;	3655 3656 3657 3658
(ff) Any receipts directly attributed to a transfer agreement or to the enterprise transferred under that agreement under section 4313.02 of the Revised Code.	3659 3660 3661
(gg) (i) As used in this division:	3662
(I) "Qualified uranium receipts" means receipts from the sale, exchange, lease, loan, production, processing, or other disposition of uranium within a uranium enrichment zone certified by the tax commissioner under division (F) (2) (gg) (ii) of this section. "Qualified uranium receipts" does not include	3663 3664 3665 3666 3667

any receipts with a situs in this state outside a uranium 3668  
enrichment zone certified by the tax commissioner under division 3669  
(F) (2) (gg) (ii) of this section. 3670

(II) "Uranium enrichment zone" means all real property 3671  
that is part of a uranium enrichment facility licensed by the 3672  
United States nuclear regulatory commission and that was or is 3673  
owned or controlled by the United States department of energy or 3674  
its successor. 3675

(ii) Any person that owns, leases, or operates real or 3676  
tangible personal property constituting or located within a 3677  
uranium enrichment zone may apply to the tax commissioner to 3678  
have the uranium enrichment zone certified for the purpose of 3679  
excluding qualified uranium receipts under division (F) (2) (gg) 3680  
of this section. The application shall include such information 3681  
that the tax commissioner prescribes. Within sixty days after 3682  
receiving the application, the tax commissioner shall certify 3683  
the zone for that purpose if the commissioner determines that 3684  
the property qualifies as a uranium enrichment zone as defined 3685  
in division (F) (2) (gg) of this section, or, if the tax 3686  
commissioner determines that the property does not qualify, the 3687  
commissioner shall deny the application or request additional 3688  
information from the applicant. If the tax commissioner denies 3689  
an application, the commissioner shall state the reasons for the 3690  
denial. The applicant may appeal the denial of an application to 3691  
the board of tax appeals pursuant to section 5717.02 of the 3692  
Revised Code. If the applicant files a timely appeal, the tax 3693  
commissioner shall conditionally certify the applicant's 3694  
property. The conditional certification shall expire when all of 3695  
the applicant's appeals are exhausted. Until final resolution of 3696  
the appeal, the applicant shall retain the applicant's records 3697  
in accordance with section 5751.12 of the Revised Code, 3698

notwithstanding any time limit on the preservation of records 3699  
under that section. 3700

(hh) In the case of amounts collected by a licensed casino 3701  
operator from casino gaming, amounts in excess of the casino 3702  
operator's gross casino revenue. In this division, "casino 3703  
operator" and "casino gaming" have the meanings defined in 3704  
section 3772.01 of the Revised Code, and "gross casino revenue" 3705  
has the meaning defined in section 5753.01 of the Revised Code. 3706

(ii) Receipts realized from the sale of agricultural 3707  
commodities by an agricultural commodity handler, both as 3708  
defined in section 926.01 of the Revised Code, that is licensed 3709  
by the director of agriculture to handle agricultural 3710  
commodities in this state. 3711

(jj) Qualifying integrated supply chain receipts. 3712

As used in division (F)(2)(jj) of this section: 3713

(i) "Qualifying integrated supply chain receipts" means 3714  
receipts of a qualified integrated supply chain vendor from the 3715  
sale of qualified property delivered to, or integrated supply 3716  
chain services provided to, another qualified integrated supply 3717  
chain vendor or to a retailer that is a member of the integrated 3718  
supply chain. "Qualifying integrated supply chain receipts" does 3719  
not include receipts of a person that is not a qualified 3720  
integrated supply chain vendor from the sale of raw materials to 3721  
a member of an integrated supply chain, or receipts of a member 3722  
of an integrated supply chain from the sale of qualified 3723  
property or integrated supply chain services to a person that is 3724  
not a member of the integrated supply chain. 3725

(ii) "Qualified property" means any of the following: 3726

(I) Component parts used to hold, contain, package, or 3727



dispense qualified products, excluding equipment; 3728

(II) Work-in-process inventory that will become, comprise, 3729  
or form a component part of a qualified product capable of being 3730  
sold at retail, excluding equipment, machinery, furniture, and 3731  
fixtures; 3732

(III) Finished goods inventory that is a qualified product 3733  
capable of being sold at retail in the inventory's present form. 3734

(iii) "Qualified integrated supply chain vendor" means a 3735  
person that is a member of an integrated supply chain and that 3736  
provides integrated supply chain services within a qualified 3737  
integrated supply chain district to a retailer that is a member 3738  
of the integrated supply chain or to another qualified 3739  
integrated supply chain vendor that is located within the same 3740  
such district as the person but does not share a common owner 3741  
with that person. 3742

(iv) "Qualified product" means a personal care, health, or 3743  
beauty product or an aromatic product, including a candle. 3744  
"Qualified product" does not include a drug that may be 3745  
dispensed only pursuant to a prescription, durable medical 3746  
equipment, mobility enhancing equipment, or a prosthetic device, 3747  
as those terms are defined in section 5739.01 of the Revised 3748  
Code. 3749

(v) "Integrated supply chain" means two or more qualified 3750  
integrated supply chain vendors certified on the most recent 3751  
list certified to the tax commissioner under this division that 3752  
systematically collaborate and coordinate business operations 3753  
with a retailer on the flow of tangible personal property from 3754  
material sourcing through manufacturing, assembly, packaging, 3755  
and delivery to the retailer to improve long-term financial 3756

performance of each vendor and the supply chain that includes 3757  
the retailer. 3758

For the purpose of the certification required under this 3759  
division, the reporting person for each retailer, on or before 3760  
the first day of October of each year, shall certify to the tax 3761  
commissioner a list of the qualified integrated supply chain 3762  
vendors providing or receiving integrated supply chain services 3763  
within a qualified integrated supply chain district for the 3764  
ensuing calendar year. On or before the following first day of 3765  
November, the commissioner shall issue a certificate to the 3766  
retailer and to each vendor certified to the commissioner on 3767  
that list. The certificate shall include the names of the 3768  
retailer and of the qualified integrated supply chain vendors. 3769

The retailer shall notify the commissioner of any changes 3770  
to the list, including additions to or subtractions from the 3771  
list or changes in the name or legal entity of vendors certified 3772  
on the list, within sixty days after the date the retailer 3773  
becomes aware of the change. Within thirty days after receiving 3774  
that notification, the commissioner shall issue a revised 3775  
certificate to the retailer and to each vendor certified on the 3776  
list. The revised certificate shall include the effective date 3777  
of the change. 3778

Each recipient of a certificate issued pursuant to this 3779  
division shall maintain a copy of the certificate for four years 3780  
from the date the certificate was received. 3781

(vi) "Integrated supply chain services" means procuring 3782  
raw materials or manufacturing, processing, refining, 3783  
assembling, packaging, or repackaging tangible personal property 3784  
that will become finished goods inventory capable of being sold 3785  
at retail by a retailer that is a member of an integrated supply 3786

chain. 3787

(vii) "Retailer" means a person primarily engaged in 3788  
making retail sales and any member of that person's consolidated 3789  
elected taxpayer group or combined taxpayer group, whether or 3790  
not that member is primarily engaged in making retail sales. 3791

(viii) "Qualified integrated supply chain district" means 3792  
the parcel or parcels of land from which a retailer's integrated 3793  
supply chain that existed on September 29, 2015, provides or 3794  
receives integrated supply chain services, and to which all of 3795  
the following apply: 3796

(I) The parcel or parcels are located wholly in a county 3797  
having a population of greater than one hundred sixty-five 3798  
thousand but less than one hundred seventy thousand based on the 3799  
2010 federal decennial census. 3800

(II) The parcel or parcels are located wholly in the 3801  
corporate limits of a municipal corporation with a population 3802  
greater than seven thousand five hundred and less than eight 3803  
thousand based on the 2010 federal decennial census that is 3804  
partly located in the county described in division (F) (2) (jj) 3805  
(viii) (I) of this section, as those corporate limits existed on 3806  
September 29, 2015. 3807

(III) The aggregate acreage of the parcel or parcels 3808  
equals or exceeds one hundred acres. 3809

(kk) In the case of a railroad company described in 3810  
division (D) (9) of section 5727.01 of the Revised Code that 3811  
purchases dyed diesel fuel directly from a supplier as defined 3812  
by section 5736.01 of the Revised Code, an amount equal to the 3813  
product of the number of gallons of dyed diesel fuel purchased 3814  
directly from such a supplier multiplied by the average 3815

wholesale price for a gallon of diesel fuel as determined under 3816  
section 5736.02 of the Revised Code for the period during which 3817  
the fuel was purchased multiplied by a fraction, the numerator 3818  
of which equals the rate of tax levied by section 5736.02 of the 3819  
Revised Code less the rate of tax computed in section 5751.03 of 3820  
the Revised Code, and the denominator of which equals the rate 3821  
of tax computed in section 5751.03 of the Revised Code. 3822

(ll) Receipts realized by an out-of-state disaster 3823  
business from disaster work conducted in this state during a 3824  
disaster response period pursuant to a qualifying solicitation 3825  
received by the business. Terms used in this division (F) (2) (ll) 3826  
have the same meanings as in section 5703.94 of the Revised 3827  
Code. 3828

(mm) Any receipts for which the tax imposed by this 3829  
chapter is prohibited by the constitution or laws of the United 3830  
States or the constitution of this state. 3831

(3) In the case of a taxpayer when acting as a real estate 3832  
broker, "gross receipts" includes only the portion of any fee 3833  
for the service of a real estate broker, or service of a real 3834  
estate salesperson associated with that broker, that is retained 3835  
by the broker and not paid to an associated real estate 3836  
salesperson or another real estate broker. For the purposes of 3837  
this division, "real estate broker" and "real estate 3838  
salesperson" have the same meanings as in section 4735.01 of the 3839  
Revised Code. 3840

(4) A taxpayer's method of accounting for gross receipts 3841  
for a tax period shall be the same as the taxpayer's method of 3842  
accounting for federal income tax purposes for the taxpayer's 3843  
federal taxable year that includes the tax period. If a 3844  
taxpayer's method of accounting for federal income tax purposes 3845

changes, its method of accounting for gross receipts under this chapter shall be changed accordingly. 3846  
3847

(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code. 3848  
3849

(H) A person has "substantial nexus with this state" if any of the following applies. The person: 3850  
3851

(1) Owns or uses a part or all of its capital in this state; 3852  
3853

(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state; 3854  
3855

(3) Has bright-line presence in this state; 3856

(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States. 3857  
3858  
3859

(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person: 3860  
3861  
3862

(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge. 3863  
3864  
3865  
3866  
3867

(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following: 3868  
3869  
3870

(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code; 3871  
3872

(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and	3873 3874 3875
(c) Any amount the person pays for services performed in this state on its behalf by another.	3876 3877
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	3878 3879
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	3880 3881 3882
(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	3883 3884
(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.	3885 3886
(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.	3887 3888 3889 3890 3891 3892 3893 3894
(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.	3895 3896 3897
(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.	3898 3899 3900

- (N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year. 3901  
3902
- (O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter. 3903  
3904
- (P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following: 3905  
3906  
3907
- (1) A person receiving a fee to sell financial instruments; 3908  
3909
- (2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person; 3910  
3911  
3912
- (3) A person issuing licenses and permits under section 1533.13 of the Revised Code; 3913  
3914
- (4) A lottery sales agent holding a valid license issued under section 3770.05 of the Revised Code; 3915  
3916
- (5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code. 3917  
3918
- (Q) "Received" includes amounts accrued under the accrual method of accounting. 3919  
3920
- (R) "Reporting person" means a person in a consolidated elected taxpayer or combined taxpayer group that is designated by that group to legally bind the group for all filings and tax liabilities and to receive all legal notices with respect to matters under this chapter, or, for the purposes of section 5751.04 of the Revised Code, a separate taxpayer that is not a member of such a group. 3921  
3922  
3923  
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3926  
3927

**Section 2.** That existing sections 111.16, 718.01, 718.05, 3928  
1329.01, 4123.01, 4141.42, 5741.02, 5747.01, and 5751.01 of the 3929  
Revised Code are hereby repealed. 3930

**Section 3.** The General Assembly finds that the ability of 3931  
the state to respond to a declared disaster is a matter of 3932  
statewide concern and requires statewide regulation. Therefore, 3933  
it is the intent of the General Assembly to enact a general law 3934  
permitting the state to adequately respond to a declared 3935  
disaster by establishing a comprehensive plan for the 3936  
application of state and local laws and regulations with respect 3937  
to out-of-state disaster businesses and their employees while 3938  
engaging in disaster relief activities in this state. 3939