A BILL

To amend sections 709.023, 718.02, 718.03, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 5747.50, and 5751.07, to amend, for the purpose of adopting a new section number as indicated in parentheses, section 718.04 (718.50), to enact new sections 718.01, 718.011, 718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.012, 718.031, 718.052, 718.18, 718.19, 718.22 to 718.28, 718.30, 718.31, 718.35, 718.38, 718.41, and 718.99, to repeal sections 718.01, 718.011, 718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised Code, and to amend the version of section 5703.02 of the Revised Code that is scheduled to take effect January 1, 2015, to revise the laws governing income taxes imposed by municipal corporations.

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

Section 1. That sections 709.023, 718.02, 718.03, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 5747.50, and 5751.07 be amended, section 718.04 (718.50) be amended for the purpose of adopting a new section number as indicated in parentheses, and new sections 718.01, 718.011,
Sec. 709.023. (A) A petition filed under section 709.021 of the Revised Code that requests to follow this section is for the special procedure of annexing land into a municipal corporation when, subject to division (H) of this section, the land also is not to be excluded from the township under section 503.07 of the Revised Code. The owners who sign this petition by their signature expressly waive their right to appeal in law or equity from the board of county commissioners' entry of any resolution under this section, waive any rights they may have to sue on any issue relating to a municipal corporation requiring a buffer as provided in this section, and waive any rights to seek a variance that would relieve or exempt them from that buffer requirement.

The petition circulated to collect signatures for the special procedure in this section shall contain in boldface capital letters immediately above the heading of the place for signatures on each part of the petition the following: "WHOEVER SIGNS THIS PETITION EXPRESSLY WAIVES THEIR RIGHT TO APPEAL IN LAW OR EQUITY FROM THE BOARD OF COUNTY COMMISSIONERS' ENTRY OF ANY RESOLUTION PERTAINING TO THIS SPECIAL ANNEXATION PROCEDURE, ALTHOUGH A WRIT OF MANDAMUS MAY BE SOUGHT TO COMPEL THE BOARD TO PERFORM ITS DUTIES REQUIRED BY LAW FOR THIS SPECIAL ANNEXATION PROCEDURE."

(B) Upon the filing of the petition in the office of the clerk of the board of county commissioners, the clerk shall cause the petition to be entered upon the board's journal at its next regular session. This entry shall be the first official act of the board on the petition. Within five days after the filing of the petition, the agent for the petitioners shall notify in the manner
and form specified in this division the clerk of the legislative
authority of the municipal corporation to which annexation is
proposed, the fiscal officer of each township any portion of which
is included within the territory proposed for annexation, the
clerk of the board of county commissioners of each county in which
the territory proposed for annexation is located other than the
county in which the petition is filed, and the owners of property
adjacent to the territory proposed for annexation or adjacent to a
road that is adjacent to that territory and located directly
across that road from that territory. The notice shall refer to
the time and date when the petition was filed and the county in
which it was filed and shall have attached or shall be accompanied
by a copy of the petition and any attachments or documents
accompanying the petition as filed.

Notice to a property owner is sufficient if sent by regular
United States mail to the tax mailing address listed on the county
auditor's records. Notice to the appropriate government officer
shall be given by certified mail, return receipt requested, or by
causing the notice to be personally served on the officer, with
proof of service by affidavit of the person who delivered the
notice. Proof of service of the notice on each appropriate
government officer shall be filed with the board of county
commissioners with which the petition was filed.

(C) Within twenty days after the date that the petition is
filed, the legislative authority of the municipal corporation to
which annexation is proposed shall adopt an ordinance or
resolution stating what services the municipal corporation will
provide, and an approximate date by which it will provide them, to
the territory proposed for annexation, upon annexation. The
municipal corporation is entitled in its sole discretion to
provide to the territory proposed for annexation, upon annexation,
services in addition to the services described in that ordinance.
or resolution.

If the territory proposed for annexation is subject to zoning regulations adopted under either Chapter 303. or 519. of the Revised Code at the time the petition is filed, the legislative authority of the municipal corporation also shall adopt an ordinance or resolution stating that, if the territory is annexed and becomes subject to zoning by the municipal corporation and that municipal zoning permits uses in the annexed territory that the municipal corporation determines are clearly incompatible with the uses permitted under current county or township zoning regulations in the adjacent land remaining within the township from which the territory was annexed, the legislative authority of the municipal corporation will require, in the zoning ordinance permitting the incompatible uses, the owner of the annexed territory to provide a buffer separating the use of the annexed territory and the adjacent land remaining within the township. For the purposes of this section, "buffer" includes open space, landscaping, fences, walls, and other structured elements; streets and street rights-of-way; and bicycle and pedestrian paths and sidewalks.

The clerk of the legislative authority of the municipal corporation to which annexation is proposed shall file the ordinances or resolutions adopted under this division with the board of county commissioners within twenty days following the date that the petition is filed. The board shall make these ordinances or resolutions available for public inspection.

(D) Within twenty-five days after the date that the petition is filed, the legislative authority of the municipal corporation to which annexation is proposed and each township any portion of which is included within the territory proposed for annexation may adopt and file with the board of county commissioners an ordinance or resolution consenting or objecting to the proposed annexation.
An objection to the proposed annexation shall be based solely upon the petition's failure to meet the conditions specified in division (E) of this section.

If the municipal corporation and each of those townships timely files an ordinance or resolution consenting to the proposed annexation, the board at its next regular session shall enter upon its journal a resolution granting the proposed annexation. If, instead, the municipal corporation or any of those townships files an ordinance or resolution that objects to the proposed annexation, the board of county commissioners shall proceed as provided in division (E) of this section. Failure of the municipal corporation or any of those townships to timely file an ordinance or resolution consenting or objecting to the proposed annexation shall be deemed to constitute consent by that municipal corporation or township to the proposed annexation.

(E) Unless the petition is granted under division (D) of this section, not less than thirty or more than forty-five days after the date that the petition is filed, the board of county commissioners shall review it to determine if each of the following conditions has been met:

(1) The petition meets all the requirements set forth in, and was filed in the manner provided in, section 709.021 of the Revised Code.

(2) The persons who signed the petition are owners of the real estate located in the territory proposed for annexation and constitute all of the owners of real estate in that territory.

(3) The territory proposed for annexation does not exceed five hundred acres.

(4) The territory proposed for annexation shares a contiguous boundary with the municipal corporation to which annexation is proposed for a continuous length of at least five per cent of the
perimeter of the territory proposed for annexation.

(5) The annexation will not create an unincorporated area of the township that is completely surrounded by the territory proposed for annexation.

(6) The municipal corporation to which annexation is proposed has agreed to provide to the territory proposed for annexation the services specified in the relevant ordinance or resolution adopted under division (C) of this section.

(7) If a street or highway will be divided or segmented by the boundary line between the township and the municipal corporation as to create a road maintenance problem, the municipal corporation to which annexation is proposed has agreed as a condition of the annexation to assume the maintenance of that street or highway or to otherwise correct the problem. As used in this section, "street" or "highway" has the same meaning as in section 4511.01 of the Revised Code.

(F) Not less than thirty or more than forty-five days after the date that the petition is filed, if the petition is not granted under division (D) of this section, the board of county commissioners, if it finds that each of the conditions specified in division (E) of this section has been met, shall enter upon its journal a resolution granting the annexation. If the board of county commissioners finds that one or more of the conditions specified in division (E) of this section have not been met, it shall enter upon its journal a resolution that states which of those conditions the board finds have not been met and that denies the petition.

(G) If a petition is granted under division (D) or (F) of this section, the clerk of the board of county commissioners shall proceed as provided in division (C)(1) of section 709.033 of the Revised Code, except that no recording or hearing exhibits would
be involved. There is no appeal in law or equity from the board's
entry of any resolution under this section, but any party may seek
a writ of mandamus to compel the board of county commissioners to
perform its duties under this section.

(H) Notwithstanding anything to the contrary in section
503.07 of the Revised Code, unless otherwise provided in an
annexation agreement entered into pursuant to section 709.192 of
the Revised Code or in a cooperative economic development
agreement entered into pursuant to section 701.07 of the Revised
Code, territory annexed into a municipal corporation pursuant to
this section shall not at any time be excluded from the township
under section 503.07 of the Revised Code and, thus, remains
subject to the township's real property taxes.

(I) Any owner of land that remains within a township and that
is adjacent to territory annexed pursuant to this section who is
directly affected by the failure of the annexing municipal
corporation to enforce compliance with any zoning ordinance it
adopts under division (C) of this section requiring the owner of
the annexed territory to provide a buffer zone, may commence in
the court of common pleas a civil action against that owner to
enforce compliance with that buffer requirement whenever the
required buffer is not in place before any development of the
annexed territory begins.

(J) Division (H)(12) of section 718.01 of the Revised Code
applies to the compensation paid to persons performing personal
services for a political subdivision on property owned by the
political subdivision after that property is annexed to a
municipal corporation under this section.

Sec. 718.01. Any term used in this chapter that is not
otherwise defined in this chapter has the same meaning as when
used in a comparable context in laws of the United States relating
to federal income taxation or in Title LVII of the Revised Code, unless a different meaning is clearly required. If a term used in this chapter that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall control over the use of the term in Title LVII of the Revised Code.

As used in this chapter:

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

(a) For a person other than an individual, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code, and further reduced by any pre-2015 net operating loss carryforward available to the person for the municipal corporation.

(b)(i) For an individual who is a resident of a municipal corporation other than a qualified municipal corporation, income reduced by exempt income to the extent otherwise included in income, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2015 net operating loss carryforward available to the individual for the municipal corporation.

(ii) For an individual who is a resident of a qualified municipal corporation, Ohio adjusted gross income reduced by income exempted by the qualified municipal corporation from the qualified municipal corporation's tax on or before December 31, 2013. If a qualified municipal corporation, on or before December 31, 2013, exempts income earned by individuals who are not residents of the qualified municipal corporation and net profit of
persons that are not wholly located within the qualified municipal
corporation, such individual or person shall have no municipal
taxable income for the purposes of the tax levied by the qualified
municipal corporation and may be exempted by the qualified
municipal corporation from the requirements of section 718.03 of
the Revised Code.

(c) For an individual who is a nonresident of a municipal
corporation, income reduced by exempt income to the extent
otherwise included in income and then, as applicable, apportioned
or sitused to the municipal corporation under section 718.02 of
the Revised Code, then reduced as provided in division (A)(2) of
this section, and further reduced by any pre-2015 net operating
loss carryforward available to the individual for the municipal
corporation.

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

(B) "Income" means the following:

(1) For residents, all income, salaries, qualifying wages,
commissions, and other compensation from whatever source earned or
received by the resident, including the resident's distributive
share of the net profit of pass-through entities owned directly or
indirectly by the resident and any net profit of the resident. For the purposes of division (B)(1) of this section, the distributive share of any net operating loss attributable to an ownership interest in a pass-through entity shall be allowed as a deduction against any net profit of the resident generated during the same taxable year.

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

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

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

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

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2)(a) Except as provided in division (C)(2)(b) of this section, intangible income;

(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if
a majority of the electors of the municipal corporation voting on
the question of whether to permit the taxation of that type of
intangible income after 1988 voted in favor thereof at an election
held on November 8, 1988.

(3) Social security benefits, railroad retirement benefits,
unemployment compensation, pension payments and benefits,
retirement benefit payments, payments from annuities, and similar
payments made to an employee or to the beneficiary of an employee
under a retirement program or plan, disability payments received
from private industry or local, state, or federal governments or
from charitable, religious or educational organizations, and the
proceeds of sickness, accident, or liability insurance policies.
As used in division (C)(3) of this section, "unemployment
compensation" does not include supplemental unemployment
compensation described in section 3402(o)(2) of the Internal
Revenue Code.

(4) The income of religious, fraternal, charitable,
scientific, literary, or educational institutions to the extent
such income is derived from tax-exempt real estate, tax-exempt
tangible or intangible property, or tax-exempt activities.

(5) Compensation paid under section 3501.28 or 3501.36 of the
Revised Code to a person serving as a precinct election official
to the extent that such compensation does not exceed one thousand
dollars for the taxable year. Such compensation in excess of one
thousand dollars for the taxable year may be subject to taxation
by a municipal corporation. A municipal corporation shall not
require the payer of such compensation to withhold any tax from
that compensation.

(6) Dues, contributions, and similar payments received by
charitable, religious, educational, or literary organizations or
labor unions, lodges, and similar organizations;
(7) Alimony and child support received;

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

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

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

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

(12) Employee compensation that is not qualifying wages;

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

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

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

(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733. of the Revised Code, the municipal corporation may continue to impose the tax on such distributive shares to the extent such shares would be so allocated or apportioned to this state only until December 31, 2004, unless a majority of the electors of the municipal corporation voting on the question of continuing to tax such shares after that date vote in favor of that question at an election held November 2, 2004. If a majority of those electors vote in favor of the question, the municipal corporation may continue after December 31, 2004, to impose the tax on such distributive shares only to the extent such shares would be so allocated or apportioned to this state.

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

(15) To the extent authorized under a resolution or ordinance adopted by a municipal corporation before January 1, 2015, all or a portion of the income of individuals or a class of individuals under nineteen years of age.

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

(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)(c)(i) of this section on the basis of the
employee not performing services in that municipal corporation.

(17) Compensation that is not qualifying wages paid to a
nonresident individual for personal services performed in the
municipal corporation on not more than twenty days in a taxable
year. As used in division (C)(17) of this section, "nonresident
individual" does not include a professional athlete, professional
entertainer, or public figure as defined by section 718.011 of the
Revised Code.

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

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

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

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

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

(E) "Adjusted federal taxable income," for a person required
to file as a C corporation means a C corporation's federal taxable
income before net operating losses and special deductions as
determined under the Internal Revenue Code, adjusted as follows:

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

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

(3) Add any losses allowed as a deduction in the computation
of federal taxable income if the losses directly relate to the
sale, exchange, or other disposition of an asset described in
section 1221 or 1231 of the Internal Revenue Code:

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

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

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

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

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

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) of this section, deduct the following:

(i) For a municipal corporation that levies an income tax before January 1, 2015, any net operating loss incurred by the person in taxable years beginning after 2015.

(ii) For a municipal corporation that does not levy an income tax before January 1, 2015, any net operating loss incurred by the person in taxable years beginning on or after the effective date of the income tax.

For any municipal corporation, the amount of the net operating loss shall be deducted from net profit reduced by exempt income to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

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

(c)(i) For taxable years beginning in 2017, 2018, 2019, 2020, or 2021, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2015, more than fifty per cent of the amount of the
deduction otherwise allowed by division (E)(8)(a) of this section.

(ii) For taxable years beginning in 2022 or thereafter, a person may deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2015, the full amount allowed by division (E)(8)(a) of this section.

(d) Any pre-2015 net operating loss carryforward deduction that is available must be utilized before a taxpayer may deduct any amount pursuant to division (E)(8) of this section.

(e) Nothing in divisions (E)(8)(c)(i) and (ii) of this section precludes a person from carrying forward, for the period otherwise permitted under division (E)(8)(a) of this section, any amount of net operating loss that was not fully utilized by operation of divisions (E)(8)(c)(i) and (ii) of this section.

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

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

If the taxpayer is not a C corporation, is not a disregarded entity, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except guaranteed payments and other similar amounts paid or accrued to a partner, former
partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense unless such payments are in consideration for the use of capital and treated as payment of interest under section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) For purposes of division (L)(2)(a)(v) of this section, a municipal corporation was the primary place of business of a
limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.

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

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

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

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

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

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

(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.

(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.

(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2015, exempted the amount from withholding and tax.

(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance adopted before January 1, 2015, exempted the amount from withholding and tax.

(2) Add the following amounts:

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2015. Division (R)(2)(b) of this section applies only
to those amounts constituting ordinary income.  

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

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

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

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

(i) For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for federal income tax purposes;

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

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

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

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

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

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

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

(2) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;

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

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

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

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

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

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

(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.74 of the Revised Code.

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

(CC) "Generic form" means an electronic or paper form designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.

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

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

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

(GG) "Net operating loss" means a loss incurred by a person
in the operation of a trade or business and includes unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

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

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

(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.

(KK) "Postal service" means the United States postal service.

(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.

(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.

(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.

(OO) "Related entity" means any of the following:

(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;

(2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

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

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

(PP)(1) "Written determination by the tax administrator" means either a written ruling by a tax administrator in response to a written request by a taxpayer or a written finding of the tax administrator, regarding the taxpayer's municipal income tax liability, including tax, penalty, interest, or any combination thereof, to the municipal corporation that commences the person's time limitation for making an appeal to the local board of tax review pursuant to section 718.11 of the Revised Code and that has "written determination" printed in all capital letters in a font size no smaller than eighteen point at the top of the first page.
of the written ruling.

(2) "Written determination by the tax administrator" does not include a denial, in whole or in part, of a taxpayer's refund claim based on an originally filed annual tax return, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a tax administrator's request for additional information, a notification to the taxpayer of mathematical errors, or a tax administrator's other written correspondence to a person or taxpayer.

(QQ) "Taxpayer rights and responsibilities" means the rights provided to taxpayers in sections 718.11, 718.12, 718.18, 718.19, 718.23, 718.38, 5717.011, and 5717.03 of the Revised Code and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with Chapter 718 of the Revised Code and resolutions, ordinances, and rules adopted by a municipal corporation for the imposition and administration of a municipal income tax.

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

(SS)(1) "Pre-2015 net operating loss carryforward" means any net operating loss incurred in a taxable year beginning before January 1, 2015, to the extent such loss was permitted, by a resolution or ordinance of the municipal corporation that was adopted by the municipal corporation before January 1, 2015, to be carried forward and utilized to offset income or net profit generated in such municipal corporation in future taxable years.

(2) For the purpose of calculating municipal taxable income, any pre-2015 net operating loss carryforward may be carried
forward to any taxable year, including taxable years beginning in 2015 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.

Sec. 718.011. (A) As used in this section:

(1) "Employer" includes a person that is a related member to or of an employer.

(2) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration.

(3) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis.

(4) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis.

(5) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer.

(6) "Worksite location" means a construction site or other temporary worksite in this state at which the employer provides services for more than twenty days during the calendar year. "Worksite location" does not include the home of an employee.

(7) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of work" means the worksite location to which the employee is required to report for
employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location, "principal place of work" means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer. For the purposes of this division, the location at which an employee spends a particular day shall be determined in accordance with division (B)(2) of this section, except that "location" shall be substituted for "municipal corporation" wherever "municipal corporation" appears in that division.

(B)(1) Subject to divisions (C), (E), and (F) of this section, an employer is not required to withhold municipal income tax on qualifying wages paid to an employee for the performance of personal services in a municipal corporation that imposes such a tax if the employee performed such services in the municipal corporation on twenty or fewer days in a calendar year, unless one of the following conditions applies:

(a) The employee's principal place of work is located in the municipal corporation.

(b) The employee is a resident of the municipal corporation and has requested that the employer withhold tax from the employee's qualifying wages as provided in section 718.03 of the Revised Code.

(c) The employee is a professional athlete, professional entertainer, or public figure, and the qualifying wages are paid for the performance of services in the employee's capacity as a professional athlete, professional entertainer, or public figure.

(2) For the purposes of division (B)(1) of this section, an employee shall be considered to have spent a day performing
services in a municipal corporation only if the employee spent more time performing services for or on behalf of the employer in that municipal corporation than in any other municipal corporation on that day. For the purposes of determining the amount of time an employee spent in a particular location, the time spent performing one of more of the following activities shall be considered to have been spent at the employee's principal place of work:

(a) Traveling to the location at which the employee will first perform services for the employer for the day;

(b) Traveling from a location at which the employee was performing services for the employer to any other location;

(c) Traveling from any location to another location in order to pick up or load, for the purpose of transportation or delivery, property that has been purchased, sold, assembled, fabricated, repaired, refurbished, processed, remanufactured, or improved by the employee's employer;

(d) Transporting or delivering property described in division (B)(2)(c) of this section, provided that, upon delivery of the property, the employee does not temporarily or permanently affix the property to real estate owned, used, or controlled by a person other than the employee's employer;

(e) Traveling from the location at which the employee makes the employee's final delivery or pick-up for the day to either the employee's principal place of work or a location at which the employee will not perform services for the employer.

(C) If the principal place of work of an employee is located in a municipal corporation that imposes an income tax in accordance with this chapter, the exception from withholding requirements described in division (B)(1) of this section shall apply only if, with respect to the employee's qualifying wages described in that division, the employer withholds and remits tax
on such qualifying wages to the municipal corporation in which the employee's principal place of work is located.

(D)(1) Except as provided in division (D)(2) of this section, if, during a calendar year, the number of days an employee spends performing personal services in a municipal corporation exceeds the twenty-day threshold described in division (B)(1) of this section, the employer shall withhold and remit tax to that municipal corporation for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in that municipal corporation.

(2) An employer required to begin withholding tax for a municipal corporation under division (D)(1) of this section may elect to withhold tax for that municipal corporation for the first twenty days on which the employer paid qualifying wages to the employee for personal services performed in that municipal corporation. The employer shall make the election on the annual tax return the employer files with the municipal corporation under section 718.05 or 718.06 of the Revised Code. Taxes withheld and paid by such an employer during those first twenty days to the municipal corporation in which the employee's principal place of work is located are refundable to the employee.

(E) Without regard to the number of days in a calendar year on which an employee performs personal services in any municipal corporation, an employer shall withhold municipal income tax on all of the employee's qualifying wages for a taxable year and remit that tax only to the municipal corporation in which the employer's fixed location is located if the total gross receipts of the employer for the preceding calendar year was less than five hundred thousand dollars.

To determine whether an employer meets the requirements of division (E) of this section for a taxable year, a tax administrator may require the employer to provide the tax
administrator with the employer's federal income tax return for
the preceding taxable year.

(F) Divisions (B)(1) and (D) of this section shall not apply
to the extent that a tax administrator and an employer enter into
an agreement regarding the manner in which the employer shall
comply with the requirements of section 718.03 of the Revised
Code.

**Sec. 718.012.** (A)(1) As used in this chapter, "domicile"
means the principal residence that an individual intends to use
for an indefinite period of time and to which, whenever absent,
the individual intends to return. An individual is domiciled in a
municipal corporation for all or part of a taxable year if, based
on the factors described in division (B) of this section and any
other factor the tax administrator considers relevant or which
demonstrates an intent to return, the tax administrator reasonably
concludes that the individual is domiciled in the municipal
corporation for all or part of the taxable year.

(2) An individual may rebut the conclusion of domicile
described in division (A)(1) of this section only if, based on the
factors described in division (B) of this section and any other
factor the individual considers relevant, the individual
establishes by a preponderance of the evidence that the individual
was not domiciled in the municipal corporation for all or part of
the taxable year.

(B) The factors that a tax administrator may consider when
determining whether an individual is domiciled in a municipal
corporation for all or part of a taxable year include, but are not
limited to, the following:

(1) The location of law firms, accounting firms, health care
providers, and similar professionals utilized by the individual or
the individual's spouse:
(2) The location of organizations described in section 501(c) of the Internal Revenue Code to which the individual or the individual's spouse make contributions or other payments or in which they participate as a congregant, member, board member, committee member, adviser, or consultant;

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

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

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

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

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

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

(9) The place of employment of the individual or the individual's spouse.
(10) The location of any real property owned or leased by the individual or the individual's spouse.

(11) The address used by the individual or the individual's spouse on federal or state tax returns, bills, invoices, credit card statements, utility bills, and other mailings for the taxable year.

(C) A taxpayer has only one domicile. A domicile once acquired is presumed to continue until it is shown to have been changed. When a taxpayer alleges a change of domicile, the taxpayer bears the burden of proof of demonstrating the change as provided in division (A)(2) of this section.

Sec. 718.02. This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745 of the Revised Code, applies to any taxpayer engaged in a business or profession in a municipal corporation that imposes an income tax in accordance with this chapter, unless the taxpayer is an individual who resides in the municipal corporation or the taxpayer is an electric company, combined company, or telephone company that is subject to and required to file reports under Chapter 5745 of the Revised Code.

(A) Except as otherwise provided in division (D)(B) of this section, net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered as having a taxable situs in such the municipal corporation for purposes of municipal income taxation in the same proportion as the average ratio of the following:

(1) The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in such the municipal corporation during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the
business or profession during the same period, wherever situated.

As used in the preceding paragraph, tangible personal or real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(2) Wages, salaries, and other compensation paid during the taxable period to persons individuals employed in the business or profession for services performed in such the municipal corporation to wages, salaries, and other compensation paid during the same period to persons individuals employed in the business or profession, wherever their the individual’s services are performed, excluding compensation that is not taxable by the municipal corporation under section 718.011 from which taxes are not required to be withheld under section 718.011 of the Revised Code;

(3) Gross Total gross receipts of the business or profession from sales and rentals made and services performed during the taxable period in such the municipal corporation to total gross receipts of the business or profession during the same period from sales, rentals, and services, wherever made or performed.

If the foregoing apportionment formula does not produce an equitable result, another basis may be substituted, under uniform regulations, so as to produce an equitable result.

(B) As used in division (A) of this section, "sales made in a municipal corporation" mean:

(1) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation;

(2) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even
though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;

(3) All sales of tangible personal property shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(C) Except as otherwise provided in division (D) of this section, net (B)(1) If the apportionment factors described in division (A) of this section do not fairly represent the extent of a taxpayer's business activity in a municipal corporation, the tax administrator of the municipal corporation may require or allow the taxpayer to use, with respect to all or any portion of the income of the taxpayer, an alternative apportionment method involving one or more of the following:

(a) Separate accounting;

(b) The exclusion of one or more of the factors;

(c) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation;

(d) A modification of one or more of the factors.

(2) A taxpayer may request to use an alternative apportionment method under this division by submitting a request to the tax administrator. The request shall be in writing.

A taxpayer may not use an alternative apportionment method on the taxpayer's tax return without notifying the tax administrator.
before filing the return. A taxpayer may not use an alternative
apportionment method, an alternative method of accounting, or an
alternative method of filing on a timely filed amended tax return
without notifying the tax administrator before filing the return.
If approved, an alternative apportionment method shall apply only
to the taxable years included in the taxpayer's request unless the
tax administrator provides otherwise in writing.

(3) Nothing in this section prohibits a taxpayer that
requests the use of an alternative apportionment method in one or
more taxable years from requesting the use of an alternative
method in any subsequent taxable year. The approval or denial of a
taxpayer's request to use an alternative method in one taxable
year shall not limit the authority of the tax administrator to
approve or deny requests from the same taxpayer with respect to
subsequent taxable years.

(C) As used in division (A)(2) of this section, "wages,
salaries, and other compensation" includes only wages, salaries,
or other compensation paid to an employee for services performed
at any of the following locations:

(1) A location that is owned, controlled, or used by, rented
to, or under the possession of one of the following:

(a) The employer;

(b) A vendor, customer, client, or patient of the employer,
or a related member of such a vendor, customer, client, or
patient;

(c) A vendor, customer, client, or patient of a person
described in division (C)(1)(b) of this section, or a related
member of such a vendor, customer, client, or patient.

(2) Any location at which a trial, appeal, hearing,
investigation, inquiry, review, court-martial, or similar
administrative, judicial, or legislative matter or proceeding is
being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer;

(3) Any other location, if the tax administrator determines that the employer directed the employee to perform the services at the other location in lieu of a location described in division (C)(1) or (2) of this section solely in order to avoid or reduce the employer's municipal income tax liability. If a tax administrator makes such a determination, the employer may dispute the determination by establishing, by a preponderance of the evidence, that the tax administrator's determination was unreasonable.

(D) For the purposes of division (A)(3) of this section, receipts from sales and rentals made and services performed shall be sitused to a municipal corporation as follows:

(1) Gross receipts from the sale of tangible personal property shall be sitused to the municipal corporation in which the sale originated. For the purposes of this division, a sale of property originates in a municipal corporation if, regardless of where title passes, the property meets any of the following criteria:

(a) The property is shipped to or delivered within the municipal corporation from a stock of goods located within the municipal corporation.

(b) The property is delivered within the municipal corporation from a location outside the municipal corporation, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion.
(c) The property is shipped from a place within the municipal corporation to purchasers outside the municipal corporation, provided that the taxpayer is not regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(2) Gross receipts from the sale of services shall be sitused to the municipal corporation to the extent that such services are performed in the municipal corporation.

(3) To the extent included in income, gross receipts from the sale of real property located in the municipal corporation shall be sitused to the municipal corporation.

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the municipal corporation shall be sitused to the municipal corporation.

(5) Gross receipts from rents and royalties from tangible personal property shall be sitused to the municipal corporation based upon the extent to which the tangible personal property is used in the municipal corporation.

(E) The net profit of an individual from rental activity not constituting a business or profession shall be subject to tax only by the municipal corporation in which the property generating the net profit is located and the municipal corporation in which the taxpayer that receives the net profit resides.

(D) This section does not apply to individuals who are residents of the municipal corporation and, except as otherwise provided in section 718.01 of the Revised Code, a municipal corporation may impose a tax on all income earned by residents of the municipal corporation to the extent allowed by the United States Constitution.

(E) If, in computing the taxpayer's adjusted federal taxable income, the taxpayer deducted any amount with respect to a stock
option granted to an employee, and if the employee is not required
to include in income any amount or any portion thereof because it
is exempted from taxation under division (H)(10) of section 718.01
of the Revised Code and division (A)(2)(d) of section 718.03 of
the Revised Code by a municipal corporation to which the taxpayer
has apportioned a portion of its net profit, the taxpayer shall
add the amount that is exempt from taxation to the taxpayer's net
profit that was apportioned to that municipal corporation. In no
case shall a taxpayer be required to add to its net profit that
was apportioned to that municipal corporation any amount other
than the amount upon which the employee would be required to pay
tax were the amount related to the stock option not exempted from
taxation.

This division applies solely for the purpose of making an
adjustment to the amount of a taxpayer's net profit that was
apportioned to a municipal corporation under divisions (A) and (B)
of this section.

A municipal corporation shall allow taxpayers to elect to use
separate accounting for the purpose of calculating net profit
sitused to the municipal corporation under this division, but
shall permit such an election only if the taxpayer requests to
make the same election in every municipal corporation in which the
taxpayer must report such net profit for the taxable year and if
the taxpayer agrees to use separate accounting with respect to
such net profit in every municipal corporation that approves such
a request for at least five consecutive taxable years after making
the election.

(F)(1) Except as provided in division (F)(2) of this section,
commissions received by a real estate agent or broker relating to
the sale, purchase, or lease of real estate shall be sitused to
the municipal corporation in which the real estate is located. Net
profit reported by the real estate agent or broker shall be
allocated to a municipal corporation based upon the ratio of the 
commissions the agent or broker received from the sale, purchase, 
or lease of real estate located in the municipal corporation to 
the commissions received from the sale, purchase, or lease of real 
estate everywhere in the taxable year.

(2) An individual who is a resident of a municipal 
corporation that imposes a municipal income tax shall report the 
individual's net profit from all real estate activity on the 
individual's annual tax return for that municipal corporation. The 
individual may claim a credit for taxes the individual paid on 
such net profit to another municipal corporation to the extent 
that such a credit is allowed under the municipal income tax 
ordinance, or rules of the municipal corporation of residence.

(G) If, in computing a taxpayer's adjusted federal taxable 
income, the taxpayer deducted any amount with respect to a stock 
option granted to an employee, and if the employee is not required 
to include in the employee's income any such amount or a portion 
thereof because it is exempted from taxation under divisions 
(C)(12) and (R)(1)(d) of section 718.01 of the Revised Code by a 
municipal corporation to which the taxpayer has apportioned a 
portion of its net profit, the taxpayer shall add the amount that 
is exempt from taxation to the taxpayer's net profit that was 
apportioned to that municipal corporation. In no case shall a 
taxpayer be required to add to its net profit that was apportioned 
to that municipal corporation any amount other than the amount 
upon which the employee would be required to pay tax were the 
amount related to the stock option not exempted from taxation.

This division applies solely for the purpose of making an 
adjustment to the amount of a taxpayer's net profit that was 
apportioned to a municipal corporation under this section.

(H) When calculating the ratios described in division (A) of 
this section for the purposes of that division or division (B) of
this section, the owner of a disregarded entity shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.

Sec. 718.03. (A) As used in this section:

(1) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual.

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

(a) Deduct the following amounts:

(i) 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;

(ii) For purposes of division (B) of this section, any amount included in wages if the amount constitutes payment on account of sickness or accident disability.

(b) Add the following amounts:

(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;

(ii) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax. Division (A)(2)(b)(ii) of this section applies only to those amounts constituting ordinary income.
(iii) Any amount not included in wages if the amount is an amount described in section 401(k) or 457 of the Internal Revenue Code. Division (A)(2)(b)(iii) of this section applies only to employee contributions and employee deferrals.

(iv) Any amount that is supplemental unemployment compensation benefits described in section 3402(e)(2) of the Internal Revenue Code and not included in wages.

(c) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and has, by resolution or ordinance, been exempted from taxation by the municipal corporation.

(d) Deduct any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance, exempted the amount from withholding and tax.

(B) Except as provided in division (F) of this section, for taxable years beginning after 2003, no municipal corporation shall require any employer or any agent of any employer or any other payer, to withhold tax with respect to any amount other than qualifying wages. Nothing in this section prohibits an employer from withholding tax on a basis greater than qualifying wages.

(C) Each employer, agent of an employer, or other payer located or doing business in a municipal corporation that imposes a tax on income in accordance with this chapter shall withhold from each employee an amount equal to the qualifying wages of the employee earned by the employee in the municipal corporation multiplied by the applicable rate of the municipal corporation's income tax, except for qualifying wages for which withholding is
not required under section 718.011 of the Revised Code or division (D) or (F) of this section. An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.

An employer, agent of an employer, or other payer may deduct and withhold, on the request of an employee, taxes for the municipal corporation in which the employee is a resident.

(B)(1) Except as provided in division (B)(2) of this section, an employer, agent of an employer, or other payer shall remit to the tax administrator of a municipal corporation the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:

(a) Taxes required to be deducted and withheld shall be remitted monthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the municipal corporation in the preceding calendar year exceeded two thousand three hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar quarter exceeded two hundred dollars.

Payment under division (B)(1)(a) of this section shall be made so that the payment is received by the tax administrator not later than fifteen days after the last day of each month.

(b) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1)(a) of this section of taxes required to be deducted and withheld shall make quarterly
payments to the tax administrator not later than the fifteenth day of the month following the end of the fifteenth day of each calendar quarter.

(2) Notwithstanding division (B)(1) of this section, a municipal corporation may require, by resolution, ordinance, or rule, an employer, agent of an employer, or other payer to do any of the following:

(a) Remit taxes deducted and withheld semimonthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in the preceding calendar year exceeded eleven thousand nine hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar year exceeded one thousand dollars. The payment under division (B)(2)(a) of this section shall be made so that the payment is received by the tax administrator not later than one of the following:

(i) If the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month, the third banking day after the fifteenth day of that month;

(ii) If the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of that month.

(b) Remit electronically to the tax administrator on the following business day all taxes deducted and withheld on behalf of the municipal corporation if on any day the total amount of such taxes withheld but not remitted is at least one hundred thousand dollars.

(c) Make payment by electronic funds transfer to the tax
administrator of all taxes deducted and withheld on behalf of the municipal corporation if the employer, agent of an employer, or other payer that is required to make payments electronically for the purpose of paying federal taxes withheld on payments to employees under section 6302 of the Internal Revenue Code, 26 C.F.R. 31.6302-1, or any other federal statute or regulation. The payment of tax by electronic funds transfer under this division does not affect an employer's, agent's, or other payer's obligation to file any return as required under this section.

(C) An employer, agent of an employer, or other payer shall make and file a return showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the tax administrator. Unless the tax administrator requires all individual taxpayers to file a tax return under section 718.05 of the Revised Code, a return filed by an employer, agent, or other payer under this division shall be accepted by a tax administrator and municipal corporation as the return required of an employee whose sole income subject to the tax under this chapter is the qualifying wages reported by the employee's employer, agent of an employer, or other payer.

(D) An employer, agent of an employer, or other payer is not required to withhold municipal income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of either the corporation with respect to whose stock the option has been issued or of such corporation's successor entity.

(E)(1) An employee is not relieved from liability for a tax by the failure of the employer, agent of an employer, or other payer to withhold the tax as required by a municipal corporation under this chapter or by the employer's, agent's, or other payer's exemption from the requirement to withhold the tax.
(2) The failure of an employer, agent of an employer, or other payer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer, agent, or other payer in connection with the failure to remit the tax withheld.

(E) (F) Compensation deferred before June 26, 2003, is not subject to any municipal corporation income tax or municipal income tax withholding requirement to the extent the deferred compensation does not constitute qualifying wages at the time the deferred compensation is paid or distributed.

(F) A municipal corporation may require a casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state to withhold and remit tax with respect to amounts other than qualifying wages.

(G) Each employer, agent of an employer, or other payer required to withhold taxes is liable for the payment of that amount required to be withheld, whether or not such taxes have been withheld, and such amount shall be deemed to be held in trust for the municipal corporation until such time as the withheld amount is remitted to the tax administrator.

(H) On or before the last day of February of each year, an employer shall file a withholding reconciliation return with the tax administrator listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for the municipal corporation during the preceding calendar year, the amount of tax withheld from each employee, the total amount of qualifying wages paid to employees during the preceding calendar year and other information as may be required by the tax administrator.
(I) The officer or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this section, shall be personally liable for a failure to file a report or pay the tax due as required by this section. The dissolution of an employer, agent of an employer, or other payer does not discharge the officer's or employee's liability for a failure of the employer, agent of an employer, or other payer to file returns or pay any tax due.

(J) An employer is required to deduct and withhold municipal income tax on tips and gratuities received by the employer's employees and constituting qualifying wages only to the extent that the tips and gratuities are under the employer's control. For the purposes of this division, a tip or gratuity is under the employer's control if the tip or gratuity is paid by the customer to the employer for subsequent remittance to the employee, or if the customer pays the tip or gratuity by credit card, debit card, or other electronic means.

(K) A tax administrator shall consider any tax withheld by an employer at the request of an employee when such tax is not otherwise required to be withheld by this chapter to be tax required to be withheld and remitted for the purposes of this section.

Sec. 718.031. (A) A municipal corporation shall require a casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state to withhold and remit municipal income tax with respect to amounts other than qualifying wages as provided in this section.
(B) If a person's winnings at a casino facility are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the casino operator shall deduct and withhold municipal income tax from the person's winnings at the rate of the tax imposed by the municipal corporation in which the casino facility is located.

(C) Amounts deducted and withheld by a casino operator are held in trust for the benefit of the municipal corporation to which the tax is owed.

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax administrator of the municipal corporation, identifying the person from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax administrator. With this return, the casino operator shall remit electronically to the municipal corporation all amounts deducted and withheld during the preceding month.

(2) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax administrator of the municipal corporation in which the casino facility is located, indicating the total amount deducted and withheld during the preceding calendar year. The casino operator shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return for that reporting period, that information shall be indicated on the annual return.
(3) Annually, on or before the thirty-first day of January, a casino operator shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted from the person's winnings during the preceding year. The casino operator shall provide to the tax administrator a copy of each information return issued under this division. The administrator may require that such copies be transmitted electronically.

(4) A casino operator that fails to file a return and remit the amounts deducted and withheld shall be personally liable for the amount withheld and not remitted. Such personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.

(5) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld along with any penalties and interest thereon until the predecessor casino operator produces either of the following:

(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(b) A certificate from the tax administrator indicating that no amounts are due.

If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon.

(6) The failure of a casino operator to deduct and withhold
the required amount from a person's winnings does not relieve that 
person from liability for the municipal income tax with respect to 
those winnings.

(D) If a person's prize award from a video lottery terminal 
is an amount for which reporting to the internal revenue service 
is required by section 6041 of the Internal Revenue Code, as 
amended, the video lottery sales agent shall deduct and withhold 
municipal income tax from the person's prize award at the rate of 
the tax imposed by the municipal corporation in which the video 
lottery terminal facility is located.

(E) Amounts deducted and withheld by a video lottery sales 
agent are held in trust for the benefit of the municipal 
corporation to which the tax is owed.

(1) The video lottery sales agent shall issue to a person 
from whose prize award an amount has been deducted and withheld a 
receipt for the amount deducted and withheld, and shall obtain 
from the person receiving a prize award the person's name, 
address, and social security number in order to facilitate the 
preparation of returns required by this section.

(2) On or before the tenth day of each month, the video 
lottery sales agent shall file a return electronically with the 
tax administrator of the municipal corporation identifying the 
persons from whose prize awards amounts were deducted and 
withheld, the amount of each such deduction and withholding during 
the preceding calendar month, the amount of the prize award from 
which each such amount was withheld, and any other information 
required by the tax administrator. With the return, the video 
lottery sales agent shall remit electronically to the tax 
administrator all amounts deducted and withheld during the 
preceding month.

(3) A video lottery sales agent shall maintain a record of
all receipts issued under division (E) of this section and shall make those records available to the tax administrator upon request. Such records shall be maintained in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(4) Annually, on or before the thirty-first day of January, each video lottery terminal sales agent shall file an annual return electronically with the tax administrator of the municipal corporation in which the facility is located indicating the total amount deducted and withheld during the preceding calendar year. The video lottery sales agent shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return for that reporting period, that information shall be indicated on the annual return.

(5) Annually, on or before the thirty-first day of January, a video lottery sales agent shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted and withheld from the person's prize award by the video lottery sales agent during the preceding year. A video lottery sales agent shall provide to the tax administrator of the municipal corporation a copy of each information return issued under this division. The tax administrator may require that such copies be transmitted electronically.

(6) A video lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. Such personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted.
(F) If a video lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor of the video lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount from the purchase money that is sufficient to cover the amounts deducted and withheld and any penalties and interest thereon until the predecessor video lottery sales agent operator produces either of the following:

(1) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(2) A certificate from the tax administrator indicating that no amounts are due.

If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon.

(G) The failure of a video lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve that person from liability for the municipal income tax with respect to that prize award.

(H) The tax administrator of a municipal corporation may impose a penalty of up to one thousand dollars if a casino operator or video lottery sales agent files a return late, fails to file a return, remits amounts deducted and withheld late, or fails to remit amounts deducted and withheld as required under this section. Interest shall accrue on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code.

(I) Amounts deducted and withheld on behalf of a municipal
corporation shall be allowed as a credit against payment of the
tax imposed by the municipal corporation and shall be treated as
taxes paid for purposes of section 718.08 of the Revised Code.
This division applies only to the person for whom the amount is
deducted and withheld.

(J) The tax administrator shall prescribe the forms of the
receipts and returns required under this section.

Sec. 718.04. (A) A municipal corporation may levy a tax on
income only in accordance with the limitations specified in this
chapter. On or after January 1, 2015, the ordinance or resolution
levying the tax, as adopted or amended by the legislative
authority of the municipal corporation, shall include all of the
following:

(1) A statement that the tax is an annual tax levied on the
income of every person residing in or earning or receiving income
in the municipal corporation and that the tax shall be measured by
municipal taxable income;

(2) A statement that the municipal corporation is levying the
tax in accordance with the limitations specified in this chapter
and that the resolution or ordinance thereby incorporates the
provisions of this chapter;

(3) The rate of the tax;

(4) Whether, and the extent to which, a credit, as described
in division (D) of this section, will be allowed against the tax;

(5) The purpose or purposes of the tax;

(6) Any other provision necessary for the administration of
the tax, provided that the provision does not conflict with any
provision of this chapter.

(B) Any municipal corporation that, on or before the
effective date of the enactment of this section, levies an income
tax at a rate in excess of one per cent may continue to levy the tax at the rate specified in the original ordinance or resolution, provided that such rate continues in effect as specified in the original ordinance or resolution.

(C)(1) No municipal corporation shall tax income at other than a uniform rate.

(2) Except as provided in division (B) of this section, no municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a general, primary, or special election. The legislative authority of the municipal corporation shall file with the board of elections at least ninety days before the day of the election a copy of the ordinance together with a resolution specifying the date the election is to be held and directing the board of elections to conduct the election. The ballot shall be in the following form: "Shall the Ordinance providing for a ... per cent levy on income for (Brief description of the purpose of the proposed levy) be passed?

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In the event of an affirmative vote, the proceeds of the levy may be used only for the specified purpose.

(D) A municipal corporation may, by ordinance or resolution, grant a credit to residents of the municipal corporation for all or a portion of the taxes the resident paid to any municipal corporation, in this state or elsewhere, on income the resident earned or received in the municipal corporation.

(E) Except as otherwise provided in this chapter, a municipal
corporation that levies an income tax in effect for taxable years beginning before January 1, 2015, may continue to administer and enforce the provisions of such tax for all taxable years beginning before January 1, 2015, provided that the provisions of such tax are consistent with this chapter as it existed prior to the effective date of the enactment of this section.

(F) Nothing in this chapter authorizes a municipal corporation to levy a tax on income or net profit, or to administer or collect such a tax or penalties or interest related to such a tax, contrary to the limitations specified in this chapter.

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

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

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

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

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

(E)(1) Each return required to be filed under this section shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer, and shall include the taxpayer's social security number or taxpayer identification number. Each return shall be verified by a declaration under penalty of perjury.

(2) A tax administrator may require any taxpayer who is an individual to include, with each annual return, amended return, or application for refund required under this section, complete copies of any of the following that are applicable to the taxpayer: all of the taxpayer's Internal Revenue Service form W-2, "Wage and Tax Statements," including all information reported on the taxpayer's federal W-2, as well as taxable wages reported or withheld for any municipal corporation; any Internal Revenue Service form 1099-MISC received by the taxpayer, schedule K1, form 2106, schedule C, schedule E, and schedule F; and pages one and two of the taxpayer's Internal Revenue Service form 1040. An individual taxpayer who files the annual return required by this section electronically shall provide paper copies of any of the foregoing to the tax administrator upon the tax administrator's request.

(3) A tax administrator may require any taxpayer that is not an individual to include, with each annual net profit return, amended net profit return, or application for refund required under this section, complete copies of any of the following that are applicable to the taxpayer: the taxpayer's Internal Revenue Service form 1041, form 1065, form 1120, form 1120-REIT, form 1120F, form 1120S, schedule D, schedule E, schedule M-3, form 1125-A, form 4562, form 2106, form 8825, form 8903, and form 8949;
supporting statements for "other income," "taxes and licenses," "other deductions," and "other costs" reported on the foregoing forms and schedules; the method of accounting and allocation used to determine the income allocable to the municipal corporation; and, if the taxpayer is a pass-through entity, any Internal Revenue Service K-1 schedules issued or received by the taxpayer or a schedule summarizing the information contained on such K-1 schedules, Internal Revenue Service forms 1096, the taxpayer's federal consolidated schedules if filing a consolidated return pursuant to section 718.06 of the Revised Code, and the taxpayer's net operating loss carry forward schedule providing for each year in which the net operating loss was sustained, the method of accounting and allocation used to determine the portion of net operating loss allocable to the taxing municipal corporation, the amount of net operating loss used as a deduction in prior years, and the amount of net operating loss claimed as a deduction in the current year.

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, 2015. The department shall transmit all documents submitted electronically under this division to the appropriate tax administrator.

(4) A tax administrator may require that each annual withholding reconciliation return required to be filed under this chapter include complete copies of any of the following that are applicable: an information return for each employee from whom
municipal income tax has been withheld that specifies the municipal corporation for which the tax is withheld and all information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent.

(5) Pursuant to section 718.24 of the Revised Code, 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 (E) of this section apply regardless of whether the taxpayer files on a generic form or on a form prescribed by the tax administrator.

(F)(1) Except as otherwise provided in this chapter, each 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 federal individual income tax returns and notices under section 6072(a) of the Internal Revenue 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.

(2) Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a municipal income tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension through the Ohio business gateway or directly with the tax administrator. The request for extension shall be filed not later than the last day for filing the municipal income tax return. The extended due date of the municipal income tax return shall be the last day of the month following the month to which the due date of the federal income tax return has been extended. A municipal corporation may deny a taxpayer's request
for extension only if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes the municipal corporation any delinquent income tax, penalty, or interest, or has failed to file any required income tax return for a prior tax period. An extension of time to file under this division is not an extension of the time to pay any tax due unless the tax administrator grants an extension of that date.

(3) If a taxpayer does not request and obtain a federal extension as described in division (F)(2) of this section, the taxpayer may request an extension of time to file a municipal income tax return by filing the request through the Ohio business gateway or directly with the tax administrator of the municipal corporation with which the return is required to be filed. The request for extension shall be filed not later than the last day for filing the municipal income tax return. The extended due date of the municipal income tax return shall be the last day of the month following the month to which the due date of the federal income tax return has been extended.

Upon good cause shown, the tax administrator may extend the period for filing any notice or return.

(4) In order to facilitate the filing of extension requests, the tax commissioner and the Ohio business gateway steering committee shall take all steps necessary to provide taxpayers with the ability to file such requests through the Ohio business gateway and to notify tax administrators when such requests are filed.

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

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

(G)(1) For taxable years beginning after 2014, a municipal corporation shall not require a taxpayer to remit tax with respect to net profits if the amount due is less than ten dollars.

(2) Any taxpayer not required to remit tax to a municipal corporation for a taxable year pursuant to division (G)(1) of this section shall file with the municipal corporation an annual net profit return under division (E)(3) of this section.

(H) This division shall not apply to payments required to be made under division (B)(1)(a) or (2)(a) of section 718.03 of the Revised Code. Except as provided in section 718.08 of the Revised Code:

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

(2) If a payment is required to be made by electronic funds transfer, the payment is considered to be made when the payment is credited to an account designated by the tax administrator for the
receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment.

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

(J) Each return required by a municipal corporation to be filed in accordance with this section shall include a box that the taxpayer may check to authorize another person, including a tax return preparer who prepared the return, to communicate with the tax administrator about matters pertaining to the return. The return or instructions accompanying the return shall indicate that by checking the box the taxpayer authorizes the tax administrator to contact the preparer or other person concerning questions that arise during the examination or other review of the return and authorizes the preparer or other person only to provide the tax administrator with information that is missing from the return, to contact the tax administrator for information about the examination or other review of the return or the status of the taxpayer's refund or payments, and to respond to notices about mathematical errors, offsets, or return preparation that the taxpayer has received from the tax administrator and has shown to the preparer or other person.

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

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

Sec. 718.051. (A) As used in this section, "Ohio business gateway" means the online computer network system, initially created by the department of administrative services under section 125.30 of the Revised Code, that allows private businesses to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.

(B) Notwithstanding section 718.05 of the Revised Code, on and after January 1, 2005, any taxpayer that is subject to any municipal corporation's tax on the net profit from a business or profession and has received an extension to file the federal income tax return shall not be required to notify the municipal corporation of the federal extension and shall not be required to file any municipal income tax return until the last day of the month to which the due date for filing the federal return has been extended, provided that, on or before the date for filing the municipal income tax return, the person notifies the tax commissioner of the federal extension through the Ohio business gateway. An extension of time to file is not an extension of the time to pay any tax due.
(C) For taxable years beginning on or after January 1, 2005, any taxpayer subject to any municipal corporation's tax on income taxation with respect to the taxpayer's net profit from a business or profession may file any municipal income tax return or estimated municipal income tax return, or extension for filing a municipal income tax return, and may make payment of amounts shown to be due on such returns, by using the Ohio business gateway.

(D)(1) As used in this division, "qualifying wages" has the same meaning as in section 718.03 of the Revised Code.

(2) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying wages paid on or after January 1, 2007, and may make remittance of such amounts, by using the Ohio business gateway.

(E)(C) Nothing in this section affects the due dates for filing employer withholding tax returns.

(F)(D) No municipal corporation shall be required to pay any fee or charge for the operation or maintenance of the Ohio business gateway.

(E)(E) The use of the Ohio business gateway by municipal corporations, taxpayers, or other persons pursuant to this section does not affect the legal rights of municipalities or taxpayers as otherwise permitted by law. This state shall not be a party to the administration of municipal income taxes or to an appeal of a municipal income tax matter, except as otherwise specifically provided by law.

(F)(F)(1) The tax commissioner shall adopt rules establishing:

(a) The format of documents to be used by taxpayers to file returns and make payments through the Ohio business gateway; and
(b) The information taxpayers must submit when filing municipal income tax returns through the Ohio business gateway.

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

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

(G) Nothing in this section shall be construed as limiting or removing the ability authority of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

(H) Within sixty days after a request by a tax administrator, the tax commissioner shall provide to the tax administrator any municipal income tax data the commissioner has acquired under Chapter 5745. of the Revised Code. The tax commissioner may not impose a fee or charge to defray the costs of providing such data, including costs associated with the inspection, review, production, photocopying, or transmission of that data.

Sec. 718.052. (A) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an act of the congress of the United States, and each civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces, may apply to the tax administrator of a municipal corporation for both an extension of time for filing of the return and an extension of time for payment of taxes required by the municipal corporation in accordance with this chapter during the period of the member's or civilian's duty service and for one hundred eighty days thereafter. The
application shall be filed on or before the one hundred eightieth day after the member's or civilian's duty terminates. An applicant shall provide such evidence as the tax administrator considers necessary to demonstrate eligibility for the extension.

(B)(1) If the tax administrator ascertains that an applicant is qualified for an extension under this section, the tax administrator shall enter into a contract with the applicant for the payment of the tax in installments that begin on the one hundred eighty-first day after the applicant's active duty or service terminates. Except as provided in division (B)(3) of this section, the tax administrator may prescribe such contract terms as the tax administrator considers appropriate.

(2) If the tax administrator ascertains that an applicant is qualified for an extension under this section, the applicant shall neither be required to file any return, report, or other tax document nor be required to pay any tax otherwise due to the municipal corporation before the one hundred eighty-first day after the applicant's active duty or service terminates.

(3) Taxes paid pursuant to a contract entered into under division (B)(1) of this section are not delinquent. The tax administrator shall not require any payments of penalties or interest in connection with those taxes for the extension period.

(C)(1) Nothing in this division denies to any person described in this division the application of divisions (A) and (B) of this section.

(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this chapter. The length of any extension granted under division...
(C)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this section, "qualifying taxpayer" means a member of the national guard, or a member of the reserve component of the armed forces of the United States, who is called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States.

(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. The tax administrator shall not require any payment of penalties or interest in connection with those taxes for the extension period. The tax administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty or interest due on any unpaid tax.

(D) For each taxable year to which division (A), (B), or (C) of this section applies to a taxpayer, the provisions of divisions (B)(2) and (3) or (C) of this section, as applicable, apply to the spouse of that taxpayer if the filing status of the spouse and the taxpayer is married filing jointly for that year.

Sec. 718.06. (A) As used in this section:

(1) "Affiliated group of corporations" means an affiliated group as defined in section 1504 of the Internal Revenue Code. "Affiliated group of corporations" does not include an incumbent local exchange carrier primarily engaged in the business of providing local exchange telephone service in this state, or any member of such a carrier's affiliated group that is an incumbent local exchange carrier primarily engaged in the business of
providing local exchange telephone service, other than cellular radio service, outside this state.

(2) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.

(3) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. "Consolidated federal taxable income" does not include income or loss of an incumbent local exchange carrier primarily engaged in the business of providing local exchange telephone service in this state, or income or loss of any member of such a carrier's affiliated group that is an incumbent local exchange carrier primarily engaged in the business of providing local exchange telephone service, other than cellular radio service, outside this state.

(4) "Incumbent local exchange carrier" has the same meaning as in section 4927.01 of the Revised Code.

(5) "Local exchange telephone service" has the same meaning as in section 5727.01 of the Revised Code.

(B)(1) For taxable years beginning on or after January 1, 2015, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group of corporations is subject to the municipal income tax in that taxable year and if the affiliated group of corporations filed a consolidated federal income tax return with respect to that taxable year. The election is binding for a five-year period beginning with the first taxable year of the initial election unless a change in the reporting method is required under federal law.
The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing consolidated municipal income tax returns under division (B)(2) of this section or a taxpayer receives permission from the tax administrator. The tax administrator shall approve such a request for good cause shown.

(2) An election to discontinue filing consolidated municipal income tax returns under this section must be made in the first year following the last year of a five-year consolidated municipal income tax return election period in effect under division (B)(1) of this section. The election to discontinue filing a consolidated municipal income tax return is binding for a five-year period beginning with the first taxable year of the election.

(3) An election made under division (B)(1) or (2) of this section is binding on all members of the affiliated group of corporations subject to a municipal income tax.

(C) A taxpayer that is a member of an affiliated group of corporations that filed a consolidated federal income tax return for a taxable year shall file a consolidated municipal income tax return for that taxable year if the tax administrator determines that intercompany transactions have not been conducted at arm's length or that there has been a distortive shifting of income or expenses with regard to allocation of net profits to the municipal corporation. A taxpayer that is required to file a consolidated municipal income tax return for a taxable year shall file a consolidated municipal income tax return for all subsequent taxable years unless the taxpayer receives written permission from the tax administrator to file a separate return or a taxpayer has experienced a change in circumstances.

(D) A taxpayer shall prepare a consolidated municipal income tax return in the same manner as is required under the United States department of treasury regulations that prescribe...
procedures for the preparation of the consolidated federal income tax return required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

(E)(1) Except as otherwise provided in divisions (E)(2), (3), and (4) of this section, corporations that file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in section 718.01 of the Revised Code, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

(E)(2) No corporation filing a consolidated municipal income tax return shall make any adjustment otherwise required under division (E) of section 718.01 of the Revised Code to the extent that the item of income or deduction otherwise subject to the adjustment has been eliminated or consolidated in the computation of consolidated federal taxable income.

(E)(3) If the net profit or loss of a pass-through entity is included in an affiliated group of corporations' consolidated federal taxable income for a taxable year, the corporation filing a consolidated municipal income tax return shall do one of the following with respect to that pass-through entity's net profit or loss for that taxable year:

(a) Exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 718.02 of the Revised Code, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to a municipal corporation. If the entity's net profit or loss is so excluded, the entity shall be subject to taxation as a separate taxpayer on
the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(b) Include the pass-through entity's net profit or loss in the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 718.02 of the Revised Code, include the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to a municipal corporation. If the entity's net profit or loss is so included, the entity shall not be subject to taxation as a separate taxpayer on the basis of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.

(F) Corporations filing a consolidated municipal income tax return shall make the computations required under section 718.02 of the Revised Code by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.

(G) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.

(H) Corporations that made an election with a municipal corporation before January 1, 2015, to file a consolidated tax return with such municipal corporation in a manner similar to that provided in division (B) of this section shall continue to file consolidated tax returns in such manner for any taxable year.
beginning before January 1, 2020, unless the corporations obtain permission from the tax administrator to discontinue such filing.

Sec. 718.07. On and after January 1, 2002, each The tax administrator of a municipal corporation that imposes a tax on income in accordance with this chapter shall make electronic versions of any rules or ordinances governing the tax available to the public through the internet, including, but not limited to, ordinances or rules governing the rate of tax; payment and withholding of taxes; filing any prescribed returns, reports, or other documents; dates for filing or paying taxes, including estimated taxes; penalties, interest, assessment, and other collection remedies; rights of taxpayers to appeal; and procedures for filing appeals; and a summary of taxpayers' rights and responsibilities. On and after that date, any municipal corporation that requires taxpayers to file income tax returns, reports, or other documents The tax administrator shall make blanks of any prescribed returns, reports, or documents, and any instructions pertaining thereto, available to the public electronically through the internet. Electronic versions of rules, ordinances, blanks, and instructions shall be made available either by posting them on the electronic site established by the tax commissioner under section 5703.49 of the Revised Code or and, if the municipal corporation or tax administrator maintains an electronic site for the posting of such documents that is accessible through the internet, by posting them on that electronic site established by the municipal corporation that is accessible through the internet. If a municipal corporation or tax administrator establishes such an electronic site, the municipal corporation shall incorporate an electronic link between that site and the site established pursuant to section 5703.49 of the Revised Code, and shall provide to the tax commissioner the uniform resource locator of the site established pursuant to this
Sec. 718.08. (A) As used in this section:

(1) "Estimated taxes" means the amount that the taxpayer reasonably estimates to be the taxpayer's tax liability for a municipal corporation's income tax for the current taxable year.

(2) "Tax liability" means the total taxes due to a municipal corporation for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year.

(B)(1) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the tax administrator, if the amount payable as estimated taxes is more than one hundred dollars. For the purposes of this section:

(a) Taxes withheld from compensation shall be considered as paid to the municipal corporation for which the taxes were withheld in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld.

(b) An overpayment of tax applied as a credit to a subsequent taxable year is deemed to be paid on the date of the postmark stamped on the cover in which the payment is mailed or, if the payment is made by electronic funds transfer, the date the payment is submitted. As used in this division, "date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(c) Taxes withheld by a casino operator or by a lottery sales agent under section 718.031 of the Revised Code are deemed to be paid to the municipal corporation for which the taxes were
withheld on the date the taxes are withheld from the taxpayer's winnings.

(2) Taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the tax administrator. A taxpayer having a taxable year of less than twelve months shall make a declaration under rules prescribed by the tax administrator. The declaration of estimated taxes for an individual with a disability shall be made and filed by the person who is required to file the income tax return.

(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (F) of section 718.05 of the Revised Code or on or before the fifteenth day of the fourth month after the taxpayer becomes subject to tax for the first time.

(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period.

(5) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section.

(C)(1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the municipal corporation or tax administrator, including the application of tax refunds to estimated taxes and withholding on or before the applicable payment date, shall be as follows:

(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half percent of the tax liability for the taxable year;

(b) On or before the fifteenth day of the sixth month after
the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year;

(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year;

(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.

(2) When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates.

(3) On or before the fifteenth day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with section 718.05 of the Revised Code.

(D)(1) In the case of any underpayment of any portion of a tax liability, a penalty and interest shall be imposed pursuant to section 718.27 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(c) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the
amount of taxes paid by the date prescribed for that payment;

(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

(E)(1) An underpayment of any portion of tax liability determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply:

(a) The amount of estimated taxes that were paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.

(b) The amount of estimated taxes that were paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under section 718.05 of the Revised Code for that year.

(c) The taxpayer is an individual who resides in the municipal corporation but was not domiciled there on the first day of January of the current calendar year.
The tax administrator may waive the requirement for filing a declaration of estimated taxes for any class of taxpayers after finding that the waiver is reasonable and proper in view of administrative costs and other factors.

Sec. 718.09. (A) This section applies to either of the following:

(1) A municipal corporation that shares the same territory as a city, local, or exempted village school district, to the extent that not more than five per cent of the territory of the municipal corporation is located outside the school district and not more than five per cent of the territory of the school district is located outside the municipal corporation;

(2) A municipal corporation that shares the same territory as a city, local, or exempted village school district, to the extent that not more than five per cent of the territory of the municipal corporation is located outside the school district, more than five per cent but not more than ten per cent of the territory of the school district is located outside the municipal corporation, and that portion of the territory of the school district that is located outside the municipal corporation is located entirely within another municipal corporation having a population of four hundred thousand or more according to the federal decennial census most recently completed before the agreement is entered into under division (B) of this section.

(B) The legislative authority of a municipal corporation to which this section applies may propose to the electors an income tax, one of the purposes of which shall be to provide financial assistance to the school district through payment to the district of not less than twenty-five per cent of the revenue generated by the tax, except that the legislative authority may not propose to levy the income tax on the incomes of nonresident individuals.
Prior to proposing the tax, the legislative authority shall negotiate and enter into a written agreement with the board of education of the school district specifying the tax rate, the percentage of tax revenue to be paid to the school district, the purpose for which the school district will use the money, the first year the tax will be levied, which shall be the first year after the year in which the levy is approved or any later year, the date of the special election on the question of the tax, and the method and schedule by which the municipal corporation will make payments to the school district. The special election shall be held on a day specified in division (D) of section 3501.01 of the Revised Code, except that the special election may not be held on the day for holding a primary election as authorized by the municipal corporation's charter unless the municipal corporation is to have a primary election on that day.

After the legislative authority and board of education have entered into the agreement, the legislative authority shall provide for levying the tax by ordinance. The ordinance shall include the provisions described in division (A) of section 718.04 of the Revised Code and shall state the tax rate, the percentage of tax revenue to be paid to the school district, the purpose for which the municipal corporation will use its share of the tax revenue, the first year the tax will be levied, and that the question of the income tax will be submitted to the electors of the municipal corporation. The legislative authority also shall adopt a resolution specifying the regular or special election date the election will be held and directing the board of elections to conduct the election. At least ninety days before the date of the election, the legislative authority shall file certified copies of the ordinance and resolution with the board of elections.

(C) The board of elections shall make the necessary arrangements for the submission of the question to the electors of
the municipal corporation, and shall conduct the election in the same manner as any other municipal income tax election. Notice of the election shall be published in a newspaper of general circulation in the municipal corporation once a week for four consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election, and shall include statements of the rate and municipal corporation and school district purposes of the income tax, the percentage of tax revenue that will be paid to the school district, and the first year the tax will be levied. The ballot shall be in the following form:

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

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

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

(B) The legislative authorities of the municipal corporations in a group of municipal corporations to which this section applies each may propose to the electors an income tax, to be levied in concert with income taxes in the other municipal corporations of the group, except that a legislative authority may not propose to levy the income tax on the incomes of individuals who do not reside in the municipal corporation. One of the purposes of such a tax shall be to provide financial assistance to the school district through payment to the district of not less than twenty-five per cent of the revenue generated by the tax. Prior to proposing the taxes, the legislative authorities shall negotiate and enter into a written agreement with each other and with the board of education of the school district specifying the tax rate, the percentage of the tax revenue to be paid to the school district, the first year the tax will be levied, which shall be the first year after the year in which the levy is approved or any later year, and the date of the election on the question of the tax, all of which shall be the same for each municipal corporation. The agreement also shall state the purpose for which the school district will use the money, and specify the method and schedule by which each municipal corporation will make payments to the school district. The special election shall be held on a day specified in division (D) of section 3501.01 of the Revised Code, including a day on which all of the municipal corporations are to have a primary election.

After the legislative authorities and board of education have entered into the agreement, each legislative authority shall provide for levying its tax by ordinance. Each ordinance shall
include the provisions described in division (A) of section 718.04 of the Revised Code and shall state the rate of the tax, the percentage of tax revenue to be paid to the school district, the purpose for which the municipal corporation will use its share of the tax revenue, and the first year the tax will be levied. Each ordinance also shall state that the question of the income tax will be submitted to the electors of the municipal corporation on the same date as the submission of questions of an identical tax to the electors of each of the other municipal corporations in the group, and that unless the electors of all of the municipal corporations in the group approve the tax in their respective municipal corporations, none of the municipal corporations in the group shall levy the tax. Each legislative authority also shall adopt a resolution specifying the regular or special election date the election will be held and directing the board of elections to conduct the election. At least ninety days before the date of the election, each legislative authority shall file certified copies of the ordinance and resolution with the board of elections.

(C) For each of the municipal corporations, the board of elections shall make the necessary arrangements for the submission of the question to the electors, and shall conduct the election in the same manner as any other municipal income tax election. For each of the municipal corporations, notice of the election shall be published in a newspaper of general circulation in the municipal corporation once a week for four consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election. The notice shall include a statement of the rate and municipal corporation and school district purposes of the income tax, the percentage of tax revenue that will be paid to the school district, and the first year the tax will be levied, and an explanation that the tax will not be levied unless an identical tax is approved by the electors of each of the other municipal corporations in the group. The ballot shall be in the following
form:

"Shall the ordinance providing for a ... per cent levy on
income for (brief description of the municipal corporation and
school district purposes of the levy, including a statement of the
percentage of income tax revenue that will be paid to the school
district) be passed? The income tax, if approved, will not be
levied on the incomes of individuals who do not reside in (the
name of the municipal corporation). In order for the income tax to
be levied, the voters of (the other municipal corporations in the
group), which are also in the (name of the school district) school
district, must approve an identical income tax and agree to pay
the same percentage of the tax revenue to the school district.

| For the income tax |  |
| Against the income tax | " |

(D) If the question is approved by a majority of the electors
and identical taxes are approved by a majority of the electors in
each of the other municipal corporations in the group, the
municipal corporation shall impose the tax beginning on the first day of January of the year specified in the ordinance. The
proceeds of the levy may be used only for the specified purposes,
including payment of the specified percentage to the school
district.

Sec. 718.11. (A)(1) The legislative authority of each municipal corporation that imposes a tax on income in accordance
with this chapter shall maintain a local board of tax review to hear appeals as provided in this section. The legislative
authority of any municipal corporation that does not impose a tax on income on the effective date of this amendment June 26, 2003,
but that imposes such a tax after that date, shall establish such
a board by ordinance not later than one hundred eighty days after the tax takes effect.

(2) The local board of tax review shall consist of three members. Two members shall be appointed by the legislative authority of the municipal corporation, but such appointees may not be employees, elected officials, or contractors with the municipal corporation at any time during their term or in the five years immediately preceding the date of appointment. One member shall be appointed by the top administrative official of the municipal corporation. This member may be an employee of the municipal corporation, but may not be the director of finance or equivalent officer, or the tax administrator or other similar official or an employee directly involved in municipal tax matters, or any direct subordinate thereof.

(3) The term for members of the local board of tax review appointed by the legislative authority of the municipal corporation shall be two years. There is no limit on the number of terms that a member may serve if the member is reappointed by the legislative authority. The board member appointed by the top administrative official of the municipal corporation shall serve at the discretion of the administrative official.

(4) Members of the board of tax review appointed by the legislative authority may be removed by the legislative authority by majority vote for malfeasance, misfeasance, or nonfeasance in office. To remove such a member, the legislative authority must give the member a copy of the charges against the member and afford the member an opportunity to be publicly heard in person or by counsel in the member's own defense upon not less than ten days' notice. The decision by the legislative authority on the charges is final and not appealable.

(5) A member of the board who, for any reason, ceases to meet the qualifications for the position prescribed by this section
shall resign immediately by operation of law.

(6) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within sixty days of when the vacancy was created. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board.

(B) Whenever a written determination by the tax administrator issues a decision regarding a municipal income tax obligation that is subject to appeal as provided in this section or in an ordinance or regulation of the municipal corporation is issued, the tax administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the decision and of written determination, the manner in which the taxpayer may appeal the decision ruling, and the address to which the appeal should be directed.

(C) Any person who is aggrieved by a decision by the tax administrator and who has filed with the municipal corporation the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision has been issued a written determination by the tax administrator may appeal the decision ruling to the board created pursuant to this section by filing a request with the board. The request shall be in writing, shall state specify the reason or reasons why the decision ruling should be deemed incorrect or unlawful, and shall be filed within thirty sixty days after the tax administrator issues taxpayer receives the decision complained of ruling.

(D) The local board of tax review shall schedule a hearing to be held within forty five sixty days after receiving the request an appeal of a written determination by the tax administrator
under division (C) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board and may be represented by an attorney at law, certified public accountant, or other representative. The board may allow a hearing to be continued as jointly agreed to by the parties, but the hearing must be completed within one hundred twenty days after the first day of the hearing.

(E) The board may affirm, reverse, or modify the tax administrator's decision a written determination by the tax administrator or any part of that decision ruling. The board shall issue a final decision on the appeal within ninety days after the board's final hearing on the appeal, and send a copy of its final decision by ordinary mail to all of the parties to the appeal within fifteen days after issuing the decision. The taxpayer or the tax administrator may appeal the board's decision as provided in section 5717.011 of the Revised Code.

Each (F) The local board of appeal tax review created pursuant to this section shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under section 149.43 of the Revised Code. Hearings requested by a taxpayer before a local board of appeal tax review created pursuant to this section are not meetings of a public body subject to section 121.22 of the Revised Code.

Sec. 718.12. (A)(1)(a) Civil actions to recover municipal income taxes and penalties and interest on municipal income taxes shall be brought within the later of:

(i) Three years after the tax was due or the return was filed, whichever is later; or

(ii) One year after the conclusion of the qualifying deferral
period, if any.  

(b) The time limit described in division (A)(1)(a) of this section may be extended at any time if both the tax administrator and the employer, agent of the employer, other payer, or taxpayer consent in writing to the extension. Any extension shall also extend for the same period of time the time limit described in division (C) of this section.

(2) As used in this section, "qualifying deferral period" means a period of time beginning and ending as follows:

(a) Beginning on the date a person who is aggrieved by a written determination by the tax administrator files with a local board of tax review the request described in section 718.11 of the Revised Code. That date shall not be affected by any subsequent decision, finding, or holding by any administrative body or court that the local board of tax review with which the aggrieved person filed the request did not have jurisdiction to affirm, reverse, or modify the written determination by the tax administrator or any part of that determination.

(b) Ending the later of the sixtieth day after the date on which the decision of the local board of tax review becomes final or, if any party appeals from the decision of the local board of tax review, the sixtieth day after the date on which the decision of the local board of tax review is either ultimately affirmed in whole or in part or ultimately reversed and no further appeal of either that affirmation, in whole or in part, or that reversal is available or taken.

(B) Prosecutions for an offense made punishable under a resolution or ordinance imposing an income tax shall be commenced within three years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five per cent or more of income required to be
reported, prosecutions may be commenced within six years after the commission of the offense.

(C) A claim for a refund of municipal income taxes shall be brought within the time limitation provided in section 718.19 of the Revised Code.

(D) Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within ninety days after the final filing date of the annual return or ninety days after the completed return is filed, whichever is later, no interest shall be allowed on the refund. For the purpose of computing the payment of interest on amounts overpaid, no amount of tax for any taxable year shall be considered to have been paid before the date on which the return on which the tax is reported is due, without regard to any extension of time for filing that return. Interest shall be paid at the interest rate, as that term is defined in section 718.27 of the Revised Code.

(E) Within sixty days after the final determination of any federal or state tax liability affecting the taxpayer's municipal tax liability, that taxpayer shall make and file an amended municipal return showing income subject to the municipal income tax based upon such final determination of federal or state tax liability, and pay any additional municipal income tax shown due thereon or make a claim for refund of any overpayment, unless the tax or overpayment is less than ten dollars.

(F)(1) Notwithstanding the fact that an appeal is pending, the petitioner may pay all or a portion of the written determination by the tax administrator that is the subject of the appeal. The acceptance of a payment by the municipal corporation does not prejudice any claim for refund upon final determination of the appeal.
If upon final determination of the appeal an error in the written determination by the tax administrator is corrected by the tax administrator, upon an appeal so filed or pursuant to a decision of the local board of tax review created under section 718.11 of the Revised Code, of the Ohio board of tax appeals, or any court to which the decision of the Ohio board of tax appeals has been appealed, so that the amount due from the party assessed under the corrected written determination is less than the amount paid, there shall be issued to the appellant or to the appellant's assigns or legal representative a refund in the amount of the overpayment as provided by section 718.19 of the Revised Code, with interest on that amount as provided by division (D) of this section.

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

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

(C) If the tax rate in the second municipal corporation is greater than the tax rate in the first municipal corporation, the tax due in excess of the credit afforded is to be paid to the
second municipal corporation, along with any interest accruing thereto during the period of nonpayment.

(D) Nothing in this section permits any credit carryforward.

Sec. 718.13. (A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this chapter or by a charter or ordinance of a municipal corporation levying an income tax pursuant to this chapter is confidential, and no person shall access or disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this chapter or the charter or ordinance authorizing the levy. The tax administrator of the municipal corporation or a designee thereof may furnish copies of returns filed or otherwise received under this chapter and other related tax information to the internal revenue service and to, the tax commissioner, and tax administrators of other municipal corporations.

(B) This section does not prohibit the legislative authority of a municipal corporation, by ordinance or resolution, from authorizing the tax administrator to publish publishing or disclosing statistics in a form that does not disclose information with respect to particular taxpayers.

Sec. 718.18. (A)(1) Subject to division (B) of this section, a copy of each written determination by the tax administrator shall be served upon the person affected thereby either by personal service, by certified mail, or by a delivery service authorized under section 5703.056 of the Revised Code.

(2) With the permission of the person affected by a written determination by the tax administrator, the tax administrator may deliver the determination through alternative means as provided in
this section, including, but not limited to, delivery by secure electronic mail. Delivery by such means satisfies the requirements for delivery under this section.

(B)(1)(a) If certified mail is returned because of an undeliverable address, a tax administrator shall utilize reasonable means to ascertain a new last known address, including the use of a change of address service offered by the postal service or an authorized delivery service under section 5703.056 of the Revised Code. If, after using reasonable means, the tax administrator is unable to ascertain a new last known address, the written determination by the tax administrator shall be sent by ordinary mail and considered served. If the ordinary mail is subsequently returned because of an undeliverable address, the determination remains appealable within sixty days after the determination's postmark.

(b) Notwithstanding delivery for collection under division (B)(1)(a) of this section, once the tax administrator or other municipal official, or the designee of either, serves a written determination by the tax administrator on the person to whom the determination is directed, the person may protest the ruling of that determination by filing an appeal with the local board of tax review within sixty days after the receipt of service. The delivery of a written determination of the tax administrator under division (B)(1)(a) of this section is prima facie evidence that delivery is complete and that the determination is served.

(2) If mailing of a written determination by a tax administrator by certified mail is returned for some cause other than an undeliverable address, the tax administrator shall resend the written determination by ordinary mail. The written determination shall show the date the tax administrator sends the written determination and include the following statement:

"This written determination by the tax administrator is
deemed to be served on the addressee under applicable law ten days from the date this written determination was mailed by the tax administrator as shown on the written determination, and all periods within which an appeal may be filed apply from and after that date."

Unless the mailing is returned because of an undeliverable address, the mailing of that information is prima facie evidence that delivery of the written determination was completed ten days after the tax administrator sent the written determination by ordinary mail and that the written determination was served.

If the ordinary mail is subsequently returned because of an undeliverable address, the tax administrator shall proceed under division (B)(1)(a) of this section. A person may challenge the presumption of delivery and service under this division in accordance with division (C) of this section.

(C)(1) A person disputing the presumption of delivery and service under division (B) of this section bears the burden of proving by a preponderance of the evidence that the address to which the written determination by the tax administrator was sent was not an address with which the person was associated at the time the tax administrator originally mailed the written determination by certified mail. For the purposes of this section, a person is associated with an address at the time the tax administrator originally mailed the written determination if, at that time, the person was residing, receiving legal documents, or conducting business at the address; or if, before that time, the person had conducted business at the address and, when the written determination was mailed, the person's agent or the person's affiliate was conducting business at the address. For the purposes of this section, a person's affiliate is any other person that, at the time the written determination was mailed, owned or controlled at least twenty per cent, as determined by voting rights, of the
addressee's business.

(2) If the person elects to appeal a written determination by the tax administrator that has otherwise become final and is subject to collection, the person must do so within sixty days after the initial contact by the official, or the official's designee, with the person. The official may enter into a compromise with the person if the person does not file an appeal with the local board of tax review.

(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering a written determination by a tax administrator by personal service.

(E) Collection actions taken upon any written determination by the tax administrator being appealed under division (B)(1)(b) of this section shall be stayed upon the pendency of an appeal under this section. If an appeal is filed pursuant to this section on a claim that has been delivered for collection, the collection activities with respect to the written determination shall be stayed.

(F) As used in this section:

(1) "Last known address" means the address the tax administrator has at the time a document is originally sent by certified mail, or any address the tax administrator can ascertain using reasonable means such as the use of a change of address service offered by the postal service or an authorized delivery service under section 5703.056 of the Revised Code.

(2) "Undeliverable address" means an address to which the postal service or an authorized delivery service under section 5703.056 of the Revised Code is not able to deliver a written determination of the tax administrator, except when the reason for nondelivery is because the addressee fails to acknowledge or accept the determination.
Sec. 718.19. (A) Upon receipt of a refund application, the tax administrator of a municipal corporation, in accordance with this section, shall refund to employers, agents of employers, other payers, or taxpayers, with respect to any income or withholding tax levied by the municipal corporation:

(1) Overpayments of more than ten dollars;

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

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

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

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

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

(2) The application is delivered by the postal service, the only postmark on the cover in which the application is enclosed was affixed by a private postal meter, the date of that postmark is not later than the last day for filing the application, and the application is received within seven days of such last day.
(3) The application is delivered by the postal service, no postmark date was affixed to the cover in which the application is enclosed or the date of the postmark so affixed is not legible, and the application is received within seven days of the last day for making the application.

(D) As used in this section, "withholding tax" has the same meaning as in section 718.27 of the Revised Code.

Sec. 718.22. (A) A tax administrator may, by rule, prescribe uniform requirements as to the keeping of records and other pertinent documents related to the liability of any person for a tax imposed by a municipal corporation in accordance with this chapter, and as to the filing of copies of federal income tax returns and determinations. Such records and other documents shall be open to the tax administrator's inspection during business hours and shall be preserved for a period of six years following the end of the taxable year to which the records or documents relate, unless the tax administrator, in writing, consents to their destruction within that period, or by order requires that they be kept longer.

(B) In addition to any requirements prescribed pursuant to division (A) of this section, the tax administrator of a municipal corporation may require any person, by notice served on that person, to keep such records as the tax administrator determines necessary to show whether or not that person is liable, and the extent of such liability, for the income tax levied by the municipal corporation or for the withholding of such tax.

Sec. 718.23. (A) A tax administrator, or any authorized agent or employee thereof may examine the books, papers, records, and federal and state income tax returns of any employer, taxpayer, or other person that is subject to, or that the tax administrator
believes is subject to, the provisions of this chapter for the purpose of verifying the accuracy of any return made or, if no return was filed, to ascertain the tax due under this chapter. Upon written request by the tax administrator or a duly authorized agent or employee thereof, every employer, taxpayer, or other person subject to this section is required to furnish the opportunity for the tax administrator, authorized agent, or employee to investigate and examine such books, papers, records, and federal income tax returns at a reasonable time and place designated in the request.

(B) The tax administrator may examine under oath any person that the tax administrator reasonably believes has knowledge concerning any income that was or would have been returned for taxation or any transaction tending to affect such income. The tax administrator may, for this purpose, compel any such person to attend a hearing or examination and to produce any books, papers, records, and federal income tax returns in such person's possession or control. The person may be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner at any such hearing or examination. This division does not authorize the practice of law by a person who is not an attorney.

No person issued written notice by the tax administrator compelling such attendance or production of books, papers, records, or federal income tax returns under this division shall fail to comply.

Sec. 718.24. Nothing in this chapter shall limit the authority of a tax administrator to perform any of the following duties or functions, unless the performance of such duties or functions is expressly limited by a provision of the Revised Code or the charter or ordinances of the municipal corporation:

(A) Exercise all powers whatsoever of an inquisitorial nature
as provided by law, including, the right to inspect books, accounts, records, memorandums, and federal and state income tax returns, to examine persons under oath, to issue orders or subpoenas for the production of books, accounts, papers, records, documents, and testimony, to take depositions, to apply to a court for attachment proceedings as for contempt, to approve vouchers for the fees of officers and witnesses, and to administer oaths; provided that the powers referred to in this division of this section shall be exercised by the tax administrator only in connection with the performance of the duties respectively assigned to the tax administrator under a municipal corporation income tax ordinance or resolution adopted in accordance with this chapter;

(B) Appoint agents and prescribe their powers and duties;

(C) Confer and meet with officers of other municipal corporations and states and officers of the United States on any matters pertaining to their respective official duties as provided by law;

(D) Exercise the authority provided by law, including orders from bankruptcy courts, relative to remitting or refunding taxes, including penalties and interest thereon, illegally or erroneously imposed or collected, or for any other reason overpaid, and, in addition, the tax administrator may investigate any claim of overpayment and make a written statement of the tax administrator's findings, and, if the tax administrator finds that there has been an overpayment, approve and issue a refund payable to the taxpayer, the taxpayer's assigns, or legal representative as provided in this chapter;

(E) Exercise the authority provided by law relative to consenting to the compromise and settlement of tax claims;

(F) Exercise the authority provided by law relative to the
use of alternative apportionment methods by taxpayers in accordance with section 718.02 of the Revised Code;

(G) Make all tax findings, determinations, computations, and orders the tax administrator is by law authorized and required to make and, pursuant to time limitations provided by law, on the tax administrator's own motion, review, redetermine, or correct any tax findings, determinations, computations, or orders the tax administrator has made, but the tax administrator shall not review, redetermine, or correct any tax finding, determination, computation, or order which the tax administrator has made as to which an appeal has been filed with the local board of tax review or other appropriate tribunal, unless such appeal or application is withdrawn by the appellant or applicant, is dismissed, or is otherwise final;

(H) Destroy any or all returns or other tax documents in the manner authorized by law;

(I) Enter into an agreement with a taxpayer to simplify the withholding obligations described in section 718.03 of the Revised Code.

Sec. 718.25. A person may round to the nearest whole dollar all amounts the person is required to enter on any return, report, voucher, or other document required under this chapter. Any fractional part of a dollar that equals or exceeds fifty cents shall be rounded to the next whole dollar, and any fractional part of a dollar that is less than fifty cents shall be dropped. If a person chooses to round amounts entered on a document, the person shall round all amounts entered on the document.

Sec. 718.26. (A) Nothing in this chapter prohibits a tax administrator from requiring any person filing a tax document with the tax administrator to provide identifying information, which
may include the person's social security number, federal employer
identication number, or other identification number requested by
the tax administrator. A person required by the tax administrator
to provide identifying information that has experienced any change
with respect to that information shall notify the tax
administrator of the change before, or upon, filing the next tax
document requiring the identifying information.

(B) When transmitting or otherwise making use of a tax
document that contains a person's social security number, the tax
administrator shall take all reasonable measures necessary to
ensure that the number is not capable of being viewed by the
general public, including, when necessary, masking the number so
that it is not readily discernible by the general public. The tax
administrator shall not put a person's social security number on
the outside of any material mailed to the person.

(C)(1) If the tax administrator makes a request for
identifying information and the tax administrator does not receive
valid identifying information within thirty days of making the
request, nothing in this chapter prohibits the tax administrator
from imposing a penalty upon the person to whom the request was
directed pursuant to section 718.27 of the Revised Code, in
addition to any applicable penalty described in section 718.99 of
the Revised Code.

(2) If a person required by the tax administrator to provide
identifying information does not notify the tax administrator of a
change with respect to that information as required under division
(A) of this section within thirty days after filing the next tax
document requiring such identifying information, nothing in this
chapter prohibits the tax administrator from imposing a penalty
pursuant to section 718.27 of the Revised Code.

(3) The penalties provided for under divisions (C)(1) and (2)
of this section may be billed and imposed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in section 718.99 of the Revised Code for a violation of section 718.35 of the Revised Code and any other penalties that may be imposed by the tax administrator by law.

Sec. 718.27. (A) As used in this section:

(1) "Applicable law" means this chapter, the resolutions, ordinances, codes, directives, instructions, and rules adopted by a municipal corporation provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax.

(2) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding tax imposed by a municipal corporation pursuant to applicable law, including at any time before January 1, 2015.

(3) A "return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with a tax administrator or municipal corporation by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before January 1, 2015.

(4) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.

(5) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. The rate shall apply
for the calendar year next following the July of the year in which the federal short-term rate is
determined in accordance with division (A)(4) of this section.

(6) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law.

(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law.

(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law.

(9) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages.

(B)(1) This section applies to the following:

(a) Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2015;

(b) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation on or after January 1, 2015;

(c) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation any time before January 1, 2015, if the income tax, estimated income tax, or withholding tax has not been paid or remitted on or before June 30, 2015.

(2) This section does not apply to returns required to be filed or payments required to be made before January 1, 2015.
regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2015, but filed or paid after that date shall be subject to the ordinances or rules, as adopted before January 1, 2015, of the municipal corporation to which the return is to be filed or the payment is to be made.

(C) Each municipal corporation levying a tax on income shall impose on a taxpayer, employer, any agent of the employer, and any other payer, and must attempt to collect, the interest amounts and penalties prescribed under division (C) of this section when the taxpayer, employer, any agent of the employer, or any other payer for any reason fails, in whole or in part, to make to the municipal corporation timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the municipal corporation any return required to be filed.

(1) Interest shall be imposed at the rate described in division (A) of this section, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax.

(2)(a) With respect to unpaid income tax and unpaid estimated income tax, a municipal corporation shall impose a penalty equal to fifteen per cent of the amount not timely paid.

(b) With respect to any unpaid withholding tax, a municipal corporation shall impose a penalty equal to fifty per cent of the amount not timely paid.

(3)(a) With respect to annual income tax returns for individuals, a municipal corporation shall impose a penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon.

(b) With respect to returns other than annual income tax returns for individuals and estimated income tax returns, a
municipal corporation shall impose a penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed one hundred fifty dollars for each failure.

(D)(1) With respect to the income taxes, estimated income taxes, withholding taxes, and returns, no municipal corporation shall impose, seek to collect, or collect any penalty, amount of interest, charges, or additional fees not described in this section.

(2) With respect to the income taxes, estimated income taxes, withholding taxes, and returns not described in division (A) of this section, nothing in this section requires a municipal corporation to refund or credit any penalty, amount of interest, charges, or additional fees that the municipal corporation has properly imposed or collected before January 1, 2015.

(E) Nothing in this section limits the authority of a municipal corporation to abate or partially abate penalties or interest imposed under this section when the tax administrator determines, in the tax administrator's sole discretion, that such abatement is appropriate.

(F) By the thirty-first day of October of each year the municipal corporation shall publish the rate described in division (A) of this section applicable to the next succeeding calendar year.

(G) The municipal corporation may impose on the taxpayer, employer, any agent of the employer, or any other payer the municipal corporation's post-judgment collection costs and fees, including attorney's fees.
Sec. 718.28. (A) As used in this section, "claim" means a claim for an amount payable to a municipal corporation that arises pursuant to the municipal income tax imposed in accordance with this chapter.

(B) Nothing in this chapter prohibits a tax administrator from doing either of the following if such action is in the best interests of the municipal corporation:

(1) Compromise a claim;

(2) Extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments.

(C) The tax administrator may consider the following standards when ascertaining with respect to a claim whether a compromise or payment-over-time agreement is in the best interests of the municipal corporation:

(1) There exists a doubt as to whether the claim can be collected.

(2) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration.

(3) There exists a joint liability among spouses, one of whom is an innocent spouse, provided that any relief under this standard shall only affect the claim as to the innocent spouse. A spouse granted relief under section 6015 of the Internal Revenue Code with regard to any income item is rebuttably presumed to be an innocent spouse with regard to that income item to the extent that income item is included in or otherwise affects the computation of a municipal income tax or any penalty or interest on that tax.

(4) Any other reasonable standard that the tax administrator establishes.

(D) The tax administrator's rejection of a compromise or
payment-over-time agreement proposed by a person with respect to a claim shall not be appealable.

(E) A compromise or payment-over-time agreement with respect to a claim shall be binding upon and shall inure to the benefit of only the parties to the compromise or agreement, and shall not extinguish or otherwise affect the liability of any other person.

(F) A compromise or payment-over-time agreement with respect to a claim shall be void if the taxpayer defaults under the compromise or agreement or if the compromise or agreement was obtained by fraud or by misrepresentation of a material fact. Any amount that was due before the compromise or agreement and that is unpaid shall remain due, and any penalties or interest that would have accrued in the absence of the compromise or agreement shall continue to accrue and be due.

Sec. 718.30. Nothing in this chapter prohibits the legislative authority of a municipal corporation, or a tax administrator pursuant to authority granted to the administrator by resolution or ordinance, to adopt rules to administer an income tax imposed by the municipal corporation in accordance with this chapter. Such rules shall not conflict with or be inconsistent with any provision of this chapter. All rules adopted under this section shall be published and posted on the internet as described in section 718.07 of the Revised Code.

Sec. 718.31. (A) To carry out the purposes of laws that a tax administrator is required to administer, the tax administrator or any person employed by the tax administrator for that purpose, upon demand, may inspect the books, accounts, records, memoranda, and federal and state income tax returns of any person subject to those laws, and may examine under oath any officer, agent, or employee of that person. Any person other than the tax
administrator who makes a demand pursuant to this section shall produce the person's authority to make the inspection.

(B) If a person receives at least ten days' written notice of a demand made under division (A) of this section and refuses to comply with that demand, the tax administrator may impose a penalty on the person pursuant to section 718.27 of the Revised Code.

(C) No person hired or retained by a tax administrator to examine or inspect a taxpayer's books shall be paid on a contingency basis.

Sec. 718.35. No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by municipal corporation ordinance or state law to be filed with a tax administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such change, alteration, or amendment of the records upon which such report, return, schedule, statement, claim, or document is based with intent to defraud the municipal corporation or a tax administrator.

Sec. 718.38. (A) An "opinion of the tax administrator" means an opinion issued under this section with respect to prospective municipal income tax liability. It does not include ordinary correspondence of the tax administrator.

(B) A taxpayer may submit a written request for an opinion of the tax administrator as to whether or how certain income, source of income, or a certain activity or transaction will be taxed. The written response of the tax administrator shall be an "opinion of
the tax administrator" and shall bind the tax administrator, in accordance with divisions (C), (G), and (H) of this section, provided all of the following conditions are satisfied:

(1) The taxpayer's request fully and accurately describes the specific facts or circumstances relevant to a determination of the taxability of the income, source of income, activity, or transaction, and, if an activity or transaction, all parties involved in the activity or transaction are clearly identified by name, location, or other pertinent facts.

(2) The request relates to a tax imposed by the municipal corporation in accordance with this chapter.

(3) The tax administrator's response is signed by the tax administrator and designated as an "opinion of the tax administrator."

(C) An opinion of the tax administrator shall remain in effect and shall protect the taxpayer for whom the opinion was prepared and who reasonably relies on it from liability for any taxes, penalty, or interest otherwise chargeable on the activity or transaction specifically held by the tax administrator's opinion to be taxable in a particular manner or not to be subject to taxation for any taxable years that may be specified in the opinion, or until the earliest of the following dates:

(1) The effective date of a written revocation by the tax administrator sent to the taxpayer by certified mail, return receipt requested. The effective date of the revocation shall be the taxpayer's date of receipt or one year after the issuance of the opinion, whichever is later;

(2) The effective date of any amendment or enactment of a relevant section of the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance that would substantially change the analysis and conclusion of the opinion of
the tax administrator;

(3) The date on which a court issues an opinion establishing or changing relevant case law with respect to the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance;

(4) If the opinion of the tax administrator was based on the interpretation of federal law, the effective date of any change in the relevant federal statutes or regulations, or the date on which a court issues an opinion establishing or changing relevant case law with respect to federal statutes or regulations;

(5) The effective date of any change in the taxpayer's material facts or circumstances;

(6) The effective date of the expiration of the opinion, if specified in the opinion.

(D) A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts.

(E) If a tax administrator provides written advice under this section, the opinion shall include a statement that:

(1) The tax consequences stated in the opinion may be subject to change for any of the reasons stated in division (C) of this section;

(2) It is the duty of the taxpayer to be aware of such changes.

(F) A tax administrator may refuse to offer an opinion on any request received under this section.

(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 2015.
(H) An opinion of a tax administrator binds that tax administrator only with respect to the taxpayer for whom the opinion was prepared and does not bind the tax administrator of any other municipal corporation.

(I) A tax administrator shall make available the text of all opinions issued under this section, except those opinions prepared for a taxpayer who has requested that the text of the opinion remain confidential. In no event shall the text of an opinion be made available until the tax administrator has removed all information that identifies the taxpayer and any other parties involved in the activity or transaction.

(J) An opinion of the tax administrator issued under this section may not be appealed.

Sec. 718.41. (A) A taxpayer shall file an amended return with the tax administrator in such form as the tax administrator requires if any of the facts, figures, computations, or attachments required in the taxpayer's annual return to determine the tax due levied by the municipal corporation in accordance with this chapter must be altered as the result of an adjustment to the taxpayer's federal income tax return, whether initiated by the taxpayer or the internal revenue service, and such alteration affects the taxpayer's tax liability under this chapter. If a taxpayer intends to file an amended consolidated municipal income tax return, the taxpayer shall notify the tax administrator before filing the amended return.

(B)(1) In the case of an underpayment, the amended return shall be accompanied by payment of any combined additional tax due together with interest thereon. If the combined tax shown to be due is ten dollars or less, such amount need not accompany the amended return. Except as provided under division (B)(2) of this section, the amended return shall not reopen those facts, figures,
computations, or attachments from a previously filed return that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless the applicable statute of limitations for civil actions or prosecutions under section 718.12 of the Revised Code has not expired for a previously filed return.

(2) The additional tax to be paid shall not exceed the amount of tax that would be due if all facts, figures, computations, and attachments were reopened.

(C)(1) In the case of an overpayment, an application for refund may be filed under this division within the period prescribed by section 718.12 of the Revised Code for filing the amended return even if it is filed beyond the period prescribed in section 718.19 of the Revised Code if it otherwise conforms to the requirements of that section. If the amount of the refund is ten dollars or less, no refund need be paid by the municipal corporation to the taxpayer. Except as set forth in division (C)(2) of this section, an application filed under this division shall claim refund of overpayments resulting from alterations to only those facts, figures, computations, or attachments required in the taxpayer's annual return that are affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless it is also filed within the time prescribed in section 718.19 of the Revised Code. Except as set forth in division (C)(2) of this section, the application shall not reopen those facts, figures, computations, or attachments that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return.

(2) The amount to be refunded shall not exceed the amount of refund that would be due if all facts, figures, computations, and attachments were reopened.
Sec. 718.04 718.50. (A) No municipal corporation other than the municipal corporation of residence shall levy a tax on the income of any member or employee of the Ohio general assembly including the lieutenant governor which income is received as a result of services rendered as such member or employee and is paid from appropriated funds of this state.

(B) No municipal corporation other than the municipal corporation of residence and the city of Columbus shall levy a tax on the income of the chief justice or a justice of the supreme court received as a result of services rendered as the chief justice or justice. No municipal corporation other than the municipal corporation of residence shall levy a tax on the income of a judge sitting by assignment of the chief justice or on the income of a district court of appeals judge sitting in multiple locations within the district, received as a result of services rendered as a judge.

Sec. 718.99. (A) Except as provided in division (B) of this section, whoever violates section 718.35 of the Revised Code, division (A) of section 718.13 of the Revised Code, or section 718.03 of the Revised Code by failing to remit municipal income taxes deducted and withheld from an employee, shall be guilty of a misdemeanor of the first degree and shall be subject to a fine of one thousand dollars or imprisonment for a term of up to six months, or both, unless the violation is punishable by a municipal ordinance or resolution imposing a greater penalty or requiring dismissal from office or discharge from employment, or both, in which case the municipal ordinance or resolution shall govern.

(B) Any person who discloses information received from the Internal Revenue Service in violation of division (A) of section 718.13 of the Revised Code shall be guilty of a felony of the fifth degree and shall be subject to a fine of not more than five
thousand dollars plus the costs of prosecution, or imprisonment for a term not exceeding five years, or both, unless the violation is punishable by a municipal ordinance imposing a greater penalty or requiring dismissal from office or discharge from employment, or both, in which case the municipal ordinance shall govern.

(C) Each instance of access or disclosure in violation of division (A) of section 718.13 of the Revised Code constitutes a separate offense.

(D) Nothing in this chapter prohibits a municipal corporation from prosecuting offenses which are made punishable under a municipal ordinance or resolution levying an income tax and for which no other penalty is provided under this chapter.

Sec. 5703.059. (A) The tax commissioner may adopt rules requiring returns, including any accompanying schedule or statement, for any of the following taxes to be filed electronically using the Ohio business gateway as defined in section 718.051 718.01 of the Revised Code, filed telephonically using the system known as the Ohio telefile system, or filed by any other electronic means prescribed by the commissioner:

(1) Employer income tax withholding under Chapter 5747. of the Revised Code;

(2) Motor fuel tax under Chapter 5735. of the Revised Code;

(3) Cigarette and tobacco product tax under Chapter 5743. of the Revised Code;

(4) Severance tax under Chapter 5749. of the Revised Code;

(5) Use tax under Chapter 5741. of the Revised Code;

(6) Commercial activity tax under Chapter 5751. of the Revised Code;

(7) Financial institutions tax under Chapter 5726. of the
Revised Code;

(8) Motor fuel receipts tax under Chapter 5736. of the Revised Code;

(9) Horse-racing taxes under Chapter 3769. of the Revised Code.

(B) The tax commissioner may adopt rules requiring any payment of tax shown on such a return to be due to be made electronically in a manner approved by the commissioner.

(C) A rule adopted under this section does not apply to returns or reports filed or payments made before six months after the effective date of the rule. The commissioner shall publicize any new electronic filing requirement on the department's web site. The commissioner shall educate the public of the requirement through seminars, workshops, conferences, or other outreach activities.

(D) Any person required to file returns and make payments electronically under rules adopted under this section may apply to the commissioner, on a form prescribed by the commissioner, to be excused from that requirement. For good cause shown, the commissioner may excuse the applicant from the requirement and permit the applicant to file the returns or reports or make the payments required under this section by nonelectronic means.

Sec. 5703.57. (A) As used in this section, "Ohio business gateway" has the same meaning as in section 718.051 of the Revised Code.

(B) There is hereby created the Ohio business gateway steering committee to direct the continuing development of the Ohio business gateway and to oversee its operations. The committee shall provide general oversight regarding operation of the Ohio business gateway and shall recommend to the department of
administrative services enhancements that will improve the Ohio business gateway. The committee shall consider all banking, technological, administrative, and other issues associated with the Ohio business gateway and shall make recommendations regarding the type of reporting forms or other tax documents to be filed through the Ohio business gateway.

(C) The committee shall consist of:

(1) The following members, appointed by the governor with the advice and consent of the senate:

(a) Not more than four representatives of the business community;

(b) Not more than three representatives of municipal tax administrators selected from a list of candidates provided by the Ohio municipal league; and

(c) Not more than two tax practitioners.

(2) The following ex officio members:

(a) The director or other highest officer of each state agency that has tax reporting forms or other tax documents filed with it through the Ohio business gateway or the director's designee;

(b) The secretary of state or the secretary of state's designee;

(c) The treasurer of state or the treasurer of state's designee;

(d) The director of budget and management or the director's designee;

(e) The state chief information officer or the officer's designee;

(f) The tax commissioner or the tax commissioner's designee;
(g) The director of development or the director's designee.

An appointed member shall serve until the member resigns or is removed by the governor. Vacancies shall be filled in the same manner as original appointments.

(D) A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a majority of the members of the committee constitutes a quorum for the conduct of business of the committee. The concurrence of at least a majority of the members of the committee is necessary for any action to be taken by the committee. On request, each member of the committee shall be reimbursed for the actual and necessary expenses incurred in the discharge of the member's duties.

(E) The committee is a part of the department of taxation for administrative purposes.

(F) Each year, the governor shall select a member of the committee to serve as chairperson. The chairperson shall appoint an official or employee of the department of taxation to act as the committee's secretary. The secretary shall keep minutes of the committee's meetings and a journal of all meetings, proceedings, findings, and determinations of the committee.

(G) The committee may hire professional, technical, and clerical staff needed to support its activities.

(H) The committee shall meet as often as necessary to perform its duties.

**Sec. 5717.011.** (A) As used in this chapter, "tax administrator" has the same meaning as in section 718.01 of the Revised Code.

(B) Appeals from a municipal decision of a local board of
appeal tax review created under section 718.11 of the Revised Code may be taken by the taxpayer or the tax administrator to the board of tax appeals or may be taken by the taxpayer or the tax administrator to a court of common pleas as otherwise provided by law. If the taxpayer or the tax administrator elects to make an appeal to the board of tax appeals or court of common pleas, and subject to section 5703.021 of the Revised Code with respect to appeals assigned to the small claims docket, the appeal shall be taken by the filing of a notice of appeal with the board of tax appeals or court of common pleas, the municipal local board of appeal tax review, and the opposing party. The notice of appeal shall be filed within sixty days after the day the appellant receives notice of the decision issued under section 718.11 of the Revised Code. An appeal filed with a court of common pleas is governed by the Rules of Civil Procedure and other rules of practice and procedure applicable to civil actions. For an appeal filed with the board of tax appeals, the notice of appeal may be filed in person or by certified mail, express mail, facsimile transmission, electronic transmission, or by authorized delivery service as provided in section 5703.056 of the Revised Code. If the notice of appeal is filed by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code, the date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing with the board. If notice of appeal is filed by facsimile transmission or electronic transmission, the date and time the notice is received by the board shall be the date and time reflected on a timestamp provided by the board's electronic system, and the appeal shall be considered filed with the board on the date reflected on that timestamp. Any timestamp provided by another computer system or electronic submission device shall not affect the time and date the notice is received by the board. The
notice of appeal shall have attached thereto and incorporated therein by reference a true copy of the decision issued under section 718.11 of the Revised Code, but failure to attach a copy of such notice and incorporate it by reference in the notice of appeal does not invalidate the appeal.

(C) A notice of appeal for an appeal filed with the board of tax appeals shall contain a short and plain statement of the claimed errors in the decision of the municipal local board of appeal tax review showing that the appellant is entitled to relief and a demand for the relief to which the appellant claims to be entitled. An appellant may amend the notice of appeal once as a matter of course within sixty days after the certification of the transcript. Otherwise, an appellant may amend the notice of appeal only after receiving leave of the board or the written consent of each adverse party. Leave of the board shall be freely given when justice so requires.

(D) Upon the filing of a notice of appeal with the board of tax appeals, the municipal local board of appeal tax review shall certify to the board of tax appeals a transcript of the record of the proceedings before it, together with all evidence considered by it in connection therewith. Such appeals may be heard by the board at its office in Columbus or in the county where the appellant resides, or it may cause its examiners to conduct such hearings and to report to it their findings for affirmation or rejection. The board may order the appeal to be heard upon the record and the evidence certified to it by the tax administrator, but upon the application of any interested party the board shall order the hearing of additional evidence, and the board may make such investigation concerning the appeal as it considers proper. An appeal may proceed pursuant to section 5703.021 of the Revised Code on the small claims docket if the appeals qualifies under that section.
(E) If an issue being appealed under this section is addressed in a municipal corporation's ordinance or regulation, the tax administrator, upon the request of the board of tax appeals, shall provide a copy of the ordinance or regulation to the board of tax appeals.

Sec. 5717.03. (A) A decision of the board of tax appeals on an appeal filed with it pursuant to section 5717.01, 5717.011, or 5717.02 of the Revised Code shall be entered of record on the journal together with the date when the order is filed with the secretary for journalization.

(B) In case of an appeal from a decision of a county board of revision, the board of tax appeals shall determine the taxable value of the property whose valuation or assessment by the county board of revision is complained of, or in the event the complaint and appeal is against a discriminatory valuation, shall determine a valuation which shall correct such discrimination, and shall determine the liability of the property for taxation, if that question is in issue, and the board of tax appeals' decision and the date when it was filed with the secretary for journalization shall be sent by the board to all persons who were parties to the appeal before the board, to the person in whose name the property is listed, or sought to be listed, if such person is not a party to the appeal, to the county auditor of the county in which the property involved in the appeal is located, and to the tax commissioner.

In correcting a discriminatory valuation, the board of tax appeals shall increase or decrease the value of the property whose valuation or assessment by the county board of revision is complained of by a per cent or amount which will cause such property to be listed and valued for taxation by an equal and uniform rule.
(C) In the case of an appeal from a review, redetermination, or correction of a tax assessment, valuation, determination, finding, computation, or order of the tax commissioner, the order of the board of tax appeals and the date of the entry thereof upon its journal shall be sent by the board to all persons who were parties to the appeal before the board, the person in whose name the property is listed or sought to be listed, if the decision determines the valuation or liability of property for taxation and if such person is not a party to the appeal, the taxpayer or other person to whom notice of the tax assessment, valuation, determination, finding, computation, or order, or correction or redetermination thereof, by the tax commissioner was by law required to be given, the director of budget and management, if the revenues affected by such decision would accrue primarily to the state treasury, and the county auditors of the counties to the undivided general tax funds of which the revenues affected by such decision would primarily accrue.

(D) In the case of an appeal from a municipal decision of a local board of appeal, tax review created under section 718.11 of the Revised Code, the order of the board of tax appeals and the date of the entry thereof upon the board's journal shall be sent by the board to all persons who were parties to the appeal before the board.

(E) In the case of all other appeals or applications filed with and determined by the board, the board's order and the date when the order was filed by the secretary for journalization shall be sent by the board to the person who is a party to such appeal or application, to such persons as the law requires, and to such other persons as the board deems proper.

(F) The orders of the board may affirm, reverse, vacate, modify, or remand the tax assessments, valuations, determinations, findings, computations, or orders complained of in the appeals.
determined by the board, and the board's decision shall become final and conclusive for the current year unless reversed, vacated, or modified as provided in section 5717.04 of the Revised Code. When an order of the board becomes final the tax commissioner and all officers to whom such decision has been sent shall make the changes in their tax lists or other records which the decision requires.

(G) If the board finds that issues not raised on the appeal are important to a determination of a controversy, the board may remand the cause for an administrative determination and the issuance of a new tax assessment, valuation, determination, finding, computation, or order, unless the parties stipulate to the determination of such other issues without remand. An order remanding the cause is a final order. If the order relates to any issue other than a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals in Franklin county. If the order relates to a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals for the county in which the municipal corporation in which the dispute arose is primarily situated.

(H) At the request of any person that filed an appeal subject to this section, the decision or order of the board of tax appeals issued pursuant to division (B), (C), (D), or (E) of this section shall be sent by certified mail at the requestor's expense.

Sec. 5739.12. (A) (1) Each person who has or is required to have a vendor's license, on or before the twenty-third day of each month, shall make and file a return for the preceding month in the form prescribed by the tax commissioner, and shall pay the tax shown on the return to be due. The return shall be filed electronically using the Ohio business gateway, as defined in
section 718.051 of the Revised Code, the Ohio telefile system, or any other electronic means prescribed by the commissioner. Payment of the tax shown on the return to be due shall be made electronically in a manner approved by the commissioner. The commissioner may require a vendor that operates from multiple locations or has multiple vendor's licenses to report all tax liabilities on one consolidated return. The return shall show the amount of tax due from the vendor to the state for the period covered by the return and such other information as the commissioner deems necessary for the proper administration of this chapter. The commissioner may extend the time for making and filing returns and paying the tax, and may require that the return for the last month of any annual or semiannual period, as determined by the commissioner, be a reconciliation return detailing the vendor's sales activity for the preceding annual or semiannual period. The reconciliation return shall be filed by the last day of the month following the last month of the annual or semiannual period. The commissioner may remit all or any part of amounts or penalties that may become due under this chapter and may adopt rules relating thereto. Such return shall be filed electronically as directed by the tax commissioner, and payment of the amount of tax shown to be due thereon, after deduction of any discount provided for under this section, shall be made electronically in a manner approved by the tax commissioner.

(2) Any person required to file returns and make payments electronically under division (A)(1) of this section may apply to the tax commissioner on a form prescribed by the commissioner to be excused from that requirement. For good cause shown, the commissioner may excuse the person from that requirement and may permit the person to file the returns and make the payments required by this section by nonelectronic means.

(B)(1) If the return is filed and the amount of tax shown
thereon to be due is paid on or before the date such return is
required to be filed, the vendor shall be entitled to a discount
of three-fourths of one per cent of the amount shown to be due on
the return.

(2) A vendor that has selected a certified service provider
as its agent shall not be entitled to the discount if the
certified service provider receives a monetary allowance pursuant
to section 5739.06 of the Revised Code for performing the vendor's
sales and use tax functions in this state. Amounts paid to the
clerk of courts pursuant to section 4505.06 of the Revised Code
shall be subject to the applicable discount. The discount shall be
in consideration for prompt payment to the clerk of courts and for
other services performed by the vendor in the collection of the
tax.

(C)(1) Upon application to the tax commissioner, a vendor who
is required to file monthly returns may be relieved of the
requirement to report and pay the actual tax due, provided that
the vendor agrees to remit to the commissioner payment of not less
than an amount determined by the commissioner to be the average
monthly tax liability of the vendor, based upon a review of the
returns or other information pertaining to such vendor for a
period of not less than six months nor more than two years
immediately preceding the filing of the application. Vendors who
agree to the above conditions shall make and file an annual or
semiannual reconciliation return, as prescribed by the
commissioner. The reconciliation return shall be filed
electronically as directed by the tax commissioner, and payment of
the amount of tax shown to be due thereon, after deduction of any
discount provided in this section, shall be made electronically in
a manner approved by the commissioner. Failure of a vendor to
comply with any of the above conditions may result in immediate
reinstatement of the requirement of reporting and paying the
actual tax liability on each monthly return, and the commissioner may at the commissioner's discretion deny the vendor the right to report and pay based upon the average monthly liability for a period not to exceed two years. The amount ascertained by the commissioner to be the average monthly tax liability of a vendor may be adjusted, based upon a review of the returns or other information pertaining to the vendor for a period of not less than six months nor more than two years preceding such adjustment.

(2) The commissioner may authorize vendors whose tax liability is not such as to merit monthly returns, as ascertained by the commissioner upon the basis of administrative costs to the state, to make and file returns at less frequent intervals. When returns are filed at less frequent intervals in accordance with such authorization, the vendor shall be allowed the discount provided in this section in consideration for prompt payment with the return, provided the return is filed and payment is made of the amount of tax shown to be due thereon, at the time specified by the commissioner, but a vendor that has selected a certified service provider as its agent shall not be entitled to the discount.

(D) Any vendor who fails to file a return or to pay the full amount of the tax shown on the return to be due in the manner prescribed under this section and the rules of the commissioner may, for each such return, be required to forfeit and pay into the state treasury an additional charge not exceeding fifty dollars or ten per cent of the tax required to be paid for the reporting period, whichever is greater, as revenue arising from the tax imposed by this chapter, and such sum may be collected by assessment in the manner provided in section 5739.13 of the Revised Code. The commissioner may remit all or a portion of the additional charge and may adopt rules relating to the imposition and remission of the additional charge.
(E) If the amount required to be collected by a vendor from consumers is in excess of the applicable percentage of the vendor's receipts from sales that are taxable under section 5739.02 of the Revised Code, or in the case of sales subject to a tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, in excess of the percentage equal to the aggregate rate of such taxes and the tax levied by section 5739.02 of the Revised Code, such excess shall be remitted along with the remittance of the amount of tax due under section 5739.10 of the Revised Code.

(F) The commissioner, if the commissioner deems it necessary in order to insure the payment of the tax imposed by this chapter, may require returns and payments to be made for other than monthly periods.

(G) Any vendor required to file a return and pay the tax under this section whose total payment for a year equals or exceeds the amount shown in division (A) of section 5739.122 of the Revised Code is subject to the accelerated tax payment requirements in divisions (B) and (C) of that section. For a vendor that operates from multiple locations or has multiple vendor's licenses, in determining whether the vendor's total payment equals or exceeds the amount shown in division (A) of that section, the vendor's total payment amount shall be the amount of the vendor's total tax liability for the previous calendar year for all of the vendor's locations or licenses.

Sec. 5739.124. (A) If required by the tax commissioner, a permit holder required to make payments under section 5739.032 of the Revised Code shall file all returns and reports electronically. The commissioner may require the permit holder to use the Ohio business gateway, as defined in section 718.051 of the Revised Code, or any other electronic means approved
by the commissioner, to file the returns and reports, or to remit
the tax, in lieu of the manner prescribed under section 5739.032
of the Revised Code.

(B) A person required under this section to file reports and
returns electronically may apply to the tax commissioner to be
excused from that requirement. Applications shall be made on a
form prescribed by the commissioner. The commissioner may approve
the application for good cause.

(C)(1) If a person required to file a report or return
electronically under this section fails to do so, the tax
commissioner may impose an additional charge not to exceed the
following:

(a) For each of the first two failures, five per cent of the
amount required to be reported on the report or return;

(b) For the third and any subsequent failure, ten per cent of
the amount required to be reported on the report or return.

(2) The charges authorized under division (C)(1) of this
section are in addition to any other charge or penalty authorized
under this chapter, and shall be considered as revenue arising
from taxes imposed under this chapter. An additional charge may be
collected by assessment in the manner prescribed by section
5739.13 of the Revised Code. The commissioner may waive all or a
portion of such a charge and may adopt rules governing such
waiver.

Sec. 5741.122. (A) If required by the tax commissioner, a
person required to make payments under section 5741.121 of the
Revised Code shall file all returns and reports electronically.
The commissioner may require the person to use the Ohio business
gateway, as defined in section 718.051 718.01 of the Revised Code,
or any other electronic means approved by the commissioner, to
file the returns and reports, or to remit the tax, in lieu of the manner prescribed under section 5741.121 of the Revised Code.

(B) A person required under this section to file reports and returns electronically may apply to the tax commissioner to be excused from that requirement. Applications shall be made on a form prescribed by the commissioner. The commissioner may approve the application for good cause.

(C)(1) If a person required to file a report or return electronically under this section fails to do so, the tax commissioner may impose an additional charge not to exceed the following:

(a) For each of the first two failures, five per cent of the amount required to be reported on the report or return;

(b) For the third and any subsequent failure, ten per cent of the amount required to be reported on the report or return.

(2) The charges authorized under division (C)(1) of this section are in addition to any other charge or penalty authorized under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5741.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5747.063. (A)(1) If a person's winnings at a casino facility are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the casino operator shall deduct and withhold Ohio income tax from the person's winnings at a rate of four per cent of the amount won and shall deduct and withhold municipal income tax from the person's winnings at the rate of tax
of the municipal corporation in which the casino facility is located. A person's amount of winnings shall be determined each time the person exchanges amounts won in tokens, chips, casino credit, or other prepaid representations of value for cash or a cash equivalent. The casino operator shall issue, to a person from whose winnings an amount has been deducted and withheld, a receipt for the amount deducted and withheld, and also shall obtain from the person additional information that will be necessary for the casino operator to prepare the returns required by this section.

(2) If a person's winnings at a casino facility require reporting to the internal revenue service under division (A)(1) of this section, the casino operator also shall require the person to state in writing, under penalty of falsification, whether the person is in default under a support order.

(B) Amounts deducted and withheld by a casino operator are held in trust for the benefit of the state and municipal corporations, as applicable.

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax commissioner and the tax administrator of the municipal corporation, as applicable, identifying the persons from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax commissioner. With the return, the casino operator shall remit electronically to the commissioner and the tax administrator of the municipal corporation, as applicable, all the amounts deducted and withheld during the preceding month.

(2) (a) A casino operator shall maintain a record of each
written statement provided under division (A)(2) of this section in which a person admits to being in default under a support order. The casino operator shall make these records available to the director of job and family services upon request.

(b) A casino operator shall maintain copies of receipts issued under division (A)(1) of this section and of written statements provided under division (A)(2) of this section and shall make these copies available to the tax commissioner upon request.

(c) A casino operator shall maintain the information described in divisions (B)(2)(a) and (b) of this section in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(3) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax commissioner and the tax administrator of the municipal corporation, as applicable, indicating the total amount deducted and withheld during the preceding calendar year. The casino operator shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return, that information shall be indicated on the annual return.

(4)(a) A casino operator who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. The commissioner and the tax administrator of the municipal corporation, as applicable, may impose a penalty up to one thousand dollars if a return is filed late, if amounts deducted and withheld are remitted late, if a return is not filed, or if amounts deducted and withheld are not remitted. Interest accrues on past due amounts deducted and withheld at the rate prescribed in section
5703.47 of the Revised Code. The commissioner and the tax administrator of the municipal corporation, as applicable, may collect past due amounts deducted and withheld and penalties and interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld and any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld and penalties and interest thereon until the predecessor casino operator produces either a receipt from the commissioner and the tax administrator of the municipal corporation, as applicable, showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner and the tax administrator of the municipal corporation, as applicable, indicating that no amounts deducted and withheld or penalties and interest thereon are due. If the successor fails to withhold purchase money, the successor is personally liable for payment of the amounts deducted and withheld and penalties and interest thereon, up to the amount of the purchase money.

(C)(1) Annually, on or before the thirty-first day of January, a casino operator shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount deducted from the person's winnings by the casino operator during the preceding calendar year.

(2) Annually, on or before the thirty-first day of January, a casino operator shall provide to the commissioner a copy of each
information return issued under division (C)(1) of this section for the preceding calendar year. The commissioner may require that the copies be transmitted electronically.

(D) Amounts deducted and withheld shall be allowed as a credit against payment of the tax imposed by section 5747.02 of the Revised Code and shall be treated as taxes paid for purposes of section 5747.09 of the Revised Code. This division applies only to the person for whom the amount is deducted and withheld.

(E) The failure of a casino operator to deduct and withhold the required amount from a person's winnings does not relieve the person from liability for the tax imposed by section 5747.02 of the Revised Code with respect to those winnings. And compliance with this section does not relieve a casino operator or a person who has winnings at a casino facility from compliance with relevant provisions of federal tax laws.

(F) The commissioner and the tax administrator of the municipal corporation, as applicable, shall prescribe the form of the receipt and returns required by this section. The director of job and family services shall prescribe the form of the statement required by this section.

(G) The requirements imposed under this section are in addition to the municipal income tax withholding requirements under section 718.031 of the Revised Code.

(H) The commissioner may adopt rules that are necessary to administer this section.

Sec. 5747.064. (A) As used in this section, "video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.

(B) If a person's prize award from a video lottery terminal is an amount for which reporting to the internal revenue service
of the amount is required by section 6041 of the Internal Revenue Code, as amended, the lottery sales agent shall deduct and withhold Ohio income tax from the person's prize award at a rate of four per cent of the amount won and shall deduct and withhold municipal income tax from the person's winnings at the rate of tax of the municipal corporation in which the video lottery terminal facility is located. The lottery sales agent shall issue, to a person from whose prize award an amount has been deducted or withheld, a receipt for the amount deducted and withheld, and also shall obtain from the person additional information that will be necessary for the lottery sales agent to prepare the returns required by this section.

(C) Amounts deducted and withheld by a lottery sales agent are held in trust for the benefit of the state and municipal corporations, as applicable.

(1) On or before the tenth day of each month, the lottery sales agent shall file a return electronically with the tax commissioner and the tax administrator of the municipal corporation, as applicable, identifying the persons from whose prize awards amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding month, the amount of the prize award from which each such amount was withheld, and any other information required by the commissioner and the tax administrator of the municipal corporation, as applicable. With the return, the lottery sales agent shall remit electronically to the commissioner and the tax administrator of the municipal corporation, as applicable, all the amounts deducted and withheld during the preceding month.

(2) A lottery sales agent shall maintain a record of all receipts issued under division (B) of this section and shall make those records available to the commissioner and the tax administrator of the municipal corporation, as applicable, upon request.
request. Such records shall be maintained in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(3) Annually, on or before the thirty-first day of January, a lottery sales agent shall file an annual return electronically with the tax commissioner and the tax administrator of the municipal corporation, as applicable, indicating the total amount deducted and withheld during the preceding calendar year. The lottery sales agent shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return, that information shall be indicated on the annual return.

(4)(a) A lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. The commissioner and the tax administrator of the municipal corporation, as applicable, may impose a penalty of up to one thousand dollars if a return is filed late, if amounts deducted and withheld are remitted late, if a return is not filed, or if amounts deducted and withheld are not remitted. Interest accrues on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code. The commissioner and the tax administrator of the municipal corporation, as applicable, may collect past due amounts deducted and withheld and penalties and interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld and any penalties and interest thereon are immediately due and payable. A successor of
the lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld and penalties and interest thereon until the predecessor lottery sales agent produces either a receipt from the tax commissioner and the tax administrator of the municipal corporation, as applicable, showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner and the tax administrator of the municipal corporation, as applicable, indicating that no amounts deducted and withheld or penalties and interest thereon are due. If the successor fails to withhold purchase money, the successor is personally liable for payment of the amounts deducted and withheld and penalties and interest thereon, up to the amount of the purchase money.

(D)(1) Annually, on or before the thirty-first day of January, a lottery sales agent shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount deducted from the person's prize award by the lottery sales agent during the preceding year.

(2) Annually, on or before the thirty-first day of January, a lottery sales agent shall provide to the tax commissioner and the tax administrator of the municipal corporation, as applicable, a copy of each information return issued under division (D)(1) of this section for the preceding calendar year. The commissioner and the tax administrator of the municipal corporation, as applicable, may require that such copies be transmitted electronically.

(E) Amounts deducted and withheld shall be allowed as a credit against payment of the tax imposed by section 5747.02 of the Revised Code and shall be treated as taxes paid for purposes of section 5747.09 of the Revised Code. This division applies only
to the person for whom the amount is deducted and withheld.

(F) The failure of a lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve the person from liability for the tax imposed by section 5747.02 of the Revised Code with respect to that income. Compliance with this section does not relieve a lottery sales agent or a person who has a prize award from compliance with relevant provisions of federal tax laws.

(G) The commissioner and the tax administrator of the municipal corporation, as applicable, shall prescribe the form of the receipt and returns required by this section and the commissioner may promulgate any rules necessary to administer the section.

(H) The requirements imposed under this section are in addition to the municipal income tax withholding requirements under section 718.031 of the Revised Code.

Sec. 5747.50. (A) As used in this section:

(1) "County's proportionate share of the calendar year 2007 LGF and LGRAF distributions" means the percentage computed for the county under division (B)(1)(a) of section 5747.501 of the Revised Code.

(2) "County's proportionate share of the total amount of the local government fund additional revenue formula" means each county's proportionate share of the state's population as determined for and certified to the county for distributions to be made during the current calendar year under division (B)(2)(a) of section 5747.501 of the Revised Code. If prior to the first day of January of the current calendar year the federal government has issued a revision to the population figures reflected in the estimate produced pursuant to division (B)(2)(a) of section
5747.501 of the Revised Code, such revised population figures shall be used for making the distributions during the current calendar year.

(3) "2007 LGF and LGGRAF county distribution base available in that month" means the lesser of the amounts described in division (A)(3)(a) and (b) of this section, provided that the amount shall not be less than zero:

(a) The total amount available for distribution to counties from the local government fund during the current month.

(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund to counties in calendar year 2007 less the total amount distributed to counties under division (B)(1) of this section during previous months of the current calendar year.

(4) "Local government fund additional revenue distribution base available during that month" means the total amount available for distribution to counties during the month from the local government fund, less any amounts to be distributed in that month from the local government fund under division (B)(1) of this section, provided that the local government fund additional revenue distribution base available during that month shall not be less than zero.

(5) "Total amount available for distribution to counties" means the total amount available for distribution from the local government fund during the current month less the total amount available for distribution to municipal corporations during the current month under division (C) of this section.

(B) On or before the tenth day of each month, the tax commissioner shall provide for payment to each county an amount equal to the sum of:

(1) The county's proportionate share of the calendar year
2007 LGF and LGRAF distributions multiplied by the 2007 LGF and LGRAF county distribution base available in that month, provided that if the 2007 LGF and LGRAF county distribution base available in that month is zero, no payment shall be made under division (B)(1) of this section for the month or the remainder of the calendar year; and

(2) The county's proportionate share of the total amount of the local government fund additional revenue formula multiplied by the local government fund additional revenue distribution base available during that month.

Money received into the treasury of a county under this division shall be credited to the undivided local government fund in the treasury of the county on or before the fifteenth day of each month. On or before the twentieth day of each month, the county auditor shall issue warrants against all of the undivided local government fund in the county treasury in the respective amounts allowed as provided in section 5747.51 of the Revised Code, and the treasurer shall distribute and pay such sums to the subdivision therein.

(C)(1) As used in division (C) of this section:

(a) "Total amount available for distribution to municipalities during the current month" means the product obtained by multiplying the total amount available for distribution from the local government fund during the current month by the aggregate municipal share.

(b) "Aggregate municipal share" means the quotient obtained by dividing the total amount distributed directly from the local government fund to municipal corporations during calendar year 2007 by the total distributions from the local government fund and local government revenue assistance fund during calendar year 2007.
(2) On or before the tenth day of each month, the tax commissioner shall provide for payment from the local government fund to each municipal corporation an amount equal to the product derived by multiplying the municipal corporation's percentage of the total amount distributed to all such municipal corporations under this division during calendar year 2007 by the total amount available for distribution to municipal corporations during the current month.

(3) Payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose.

(4) The amount distributed to municipal corporations under this division during any calendar year shall not exceed the amount distributed directly from the local government fund to municipal corporations during calendar year 2007. If that maximum amount is reached during any month, distributions to municipal corporations in that month shall be as provided in divisions (C)(1) and (2) of this section, but no further distributions shall be made to municipal corporations under division (C) of this section during the remainder of the calendar year.

(5) Upon being informed of a municipal corporation's dissolution, the tax commissioner shall cease providing for payments to that municipal corporation under division (C) of this section. The proportionate shares of the total amount available for distribution to each of the remaining municipal corporations under this division shall be increased on a pro rata basis.

(D) Each municipal corporation which has in effect a tax imposed under Chapter 718. of the Revised Code shall, no later than the thirty-first day of August of each year, certify to the tax commissioner, on a form prescribed by the commissioner, the total amount of income taxes tax revenue collected and refunded by such municipal corporation pursuant to such chapter during the
preceding calendar year, arranged by the type of income from which the revenue was collected or the refund was issued. The municipal corporation shall also report the amount of income tax revenue collected and refunded on behalf of a joint economic development district or a joint economic development zone that levies an income tax administered by the municipal corporation and the amount of such revenue distributed to contracting parties, during the preceding calendar year. The tax commissioner may withhold payment of local government fund moneys pursuant to division (C) of this section from any municipal corporation for failure to comply with this reporting requirement.

Sec. 5751.07. (A) Any person required to file returns under this chapter shall remit each tax payment, and, if required by the tax commissioner, file the tax return or the annual report, electronically. The commissioner may require taxpayers to use the Ohio business gateway as defined in section 718.051 of the Revised Code to file returns and remit the tax, or may provide another means for taxpayers to file and remit the tax electronically.

(B) A person required by this section to remit taxes or file returns electronically may apply to the tax commissioner, on the form prescribed by the commissioner, to be excused from that requirement. The commissioner may excuse a person from the requirements of this division for good cause.

(C)(1) If a person required to remit taxes or file a return electronically under this section fails to do so, the commissioner may impose a penalty not to exceed the following:

(a) For either of the first two tax periods the person so fails, the greater of twenty-five dollars or five per cent of the amount of the payment that was required to be remitted;

(b) For the third and any subsequent tax periods the person
so fails, the greater of fifty dollars or ten per cent of the amount of the payment that was required to be remitted.

(2) The penalty imposed under division (C)(1) of this section is in addition to any other penalty imposed under this chapter and shall be considered as revenue arising from the tax imposed under this chapter. A penalty may be collected by assessment in the manner prescribed by section 5751.09 of the Revised Code. The tax commissioner may abate all or a portion of such a penalty.

(D) The tax commissioner may adopt rules necessary to administer this section.

Section 3. That the version of section 5703.02 of the Revised Code that is scheduled to take effect January 1, 2015, be amended to read as follows:

Sec. 5703.02. There is hereby created the board of tax appeals, which shall exercise the following powers and perform the following duties:

(A) Exercise the authority provided by law to hear and determine all appeals of questions of law and fact arising under the tax laws of this state in appeals from decisions, orders, determinations, or actions of any tax administrative agency established by the law of this state, including but not limited to appeals from:

(1) Actions of county budget commissions;

(2) Decisions of county boards of revision;

(3) Actions of any assessing officer or other public official under the tax laws of this state;

(4) Final determinations by the tax commissioner of any preliminary, amended, or final tax assessments, reassessments, valuations, determinations, findings, computations, or orders made
by the tax commissioner;

(5) Adoption and promulgation of rules of the tax commissioner.

(B) Appoint a secretary of the board of tax appeals, who shall serve in the unclassified civil service at the pleasure of the board, and any other employees as are necessary in the exercise of the powers and the performance of the duties and functions that the board is by law authorized and required to exercise, and prescribe the duties of all employees, and to fix their compensation as provided by law;

(C) Maintain a journal, which shall be open to public inspection and in which the secretary shall keep a record of all of the proceedings and the vote of each of its members upon every action taken by it;

(D) Adopt and promulgate, in the manner provided by section 5703.14 of the Revised Code, and enforce all rules relating to the procedure of the board in hearing appeals it has the authority or duty to hear, and to the procedure of officers or employees whom the board may appoint; provided that section 5703.13 of the Revised Code shall apply to and govern the procedure of the board. Such rules shall include, but need not be limited to, the following:

(1) Rules governing the creation and implementation of a mediation program, including procedures for requesting, requiring participation in, objecting to, and conducting a mediation;

(2) Rules requiring the tax commissioner, county boards of revision, and municipal local boards of appeal tax review created under section 718.11 of the Revised Code to electronically file any transcript required to be filed with the board of tax appeals, and instructions and procedures for the electronic filing of such transcripts.
(3) Rules establishing procedures to control and manage appeals filed with the board. The procedures shall include, but not be limited to, the establishment of a case management schedule that shall include expected dates related to discovery deadlines, disclosure of evidence, pre-hearing motions, and the hearing, and other case management issues considered appropriate.

Section 4. That the existing version of section 5703.02 of the Revised Code that is scheduled to take effect January 1, 2015, is hereby repealed.

Section 5. This act applies to municipal taxable years beginning on or after January 1, 2015. For municipal taxable years beginning before January 1, 2015, tax administrators may continue to administer, audit, and enforce the income tax of a municipal corporation under Chapter 718. and ordinances and resolutions of the municipal corporation as that chapter and those ordinances and resolutions existed before January 1, 2015.

Section 6. (A) There is hereby created the Municipal Income Tax Net Operating Loss Review Committee for the purpose of evaluating and quantifying the potential fiscal impact to municipal corporations levying an income tax requiring such municipal corporations to allow taxpayers to carry forward net operating losses for five years. The Committee is a public body for the purposes of section 121.22 of the Revised Code.

(B) The Committee shall be composed of the following members:

(1) Two members of the House of Representatives who are not of the same political party, appointed by the Speaker of the House of Representatives;

(2) Two members of the Senate who are not of the same political party, appointed by the President of the Senate;

(3) Three members representing municipal income taxpayers,
appointed by the Speaker of the House of Representatives;

(4) Three members representing municipal corporations that levy an income tax in calendar year 2015, appointed by the President of the Senate;

(5) One member appointed by the Governor, who shall serve as the chairperson of the Committee.

The appointing authorities shall appoint members of the Committee not later than March 1, 2014. An appointed member shall serve until the member resigns or is removed by the member's appointing authority. Vacancies shall be filled in the same manner as original appointments. A vacancy on the committee does not impair the right of the other members to exercise all the functions of the Committee.

The Committee shall meet for the first time on or before March 1, 2014. Thereafter, the Committee shall meet at the call of the chairperson. The presence of a majority of the members of the Committee constitutes a quorum for the conduct of business of the Committee. The concurrence of at least a majority of the members of the Committee is necessary to approve the report issued by the Committee under division (E) of this section. Members of the Committee shall not be compensated or reimbursed for members’ expenses.

(C) On or before July 1, 2014, the Committee shall prescribe a method that municipal corporations shall use to estimate the difference between the municipal corporation's actual or projected municipal income tax revenue in 2012, 2013, 2014, 2015, 2016, 2017, and 2018 and the actual or projected municipal income tax revenue that would have resulted in each of those years if the municipal corporation allowed net operating loss to be carried forward for five years for losses incurred in 2011, 2012, and 2013.
(D) On or before December 31, 2014, each municipal corporation that levies an income tax in 2011, 2012, or 2013 shall report to the Municipal Income Tax Net Operating Loss Review Committee the difference between the municipal corporation's actual or projected municipal income tax revenue in 2012, 2013, 2014, 2015, 2016, 2017, and 2018 and the actual or projected municipal income tax revenue that would have resulted in each of those years if the municipal corporation allowed net operating loss to be carried forward for five years for losses incurred in 2011, 2012, and 2013, as estimated by the method prescribed by the Committee under division (C) of this section.

(E) If the Municipal Income Tax Net Operating Loss Review Committee receives reports from a representative sample, then the Committee shall review the information reported by municipal corporations under division (D) of this section and calculate the total of the revenue effects reported by such municipal corporations. On or before May 1, 2015, the Committee shall issue a written report to the Speaker and Minority Leader of the House of Representatives and the President and Minority Leader of the Senate reporting the Committee's findings and estimated revenue impact of requiring municipal corporations levying an income tax to allow net operating loss to be carried forward for five years.

(F) Nothing in this section delays or otherwise affects the taxable years to which division (E)(8) of section 718.01 of the Revised Code, as enacted by this act, apply as prescribed in that division.

(G) The Municipal Income Tax Net Operating Loss Review Committee shall cease to exist on May 1, 2015.

(H) As used in this section, "representative sample" includes the cities of Cleveland and Columbus, five cities or villages with a higher ratio of business taxpayers to resident individual taxpayers relative to the state average, and five cities or
villages with a higher ratio of resident individual taxpayers to business taxpayers relative to the state average.