Resort Area Gross Receipts Tax

The resort area gross receipts tax is a business privilege tax that a municipality or township that has declared itself to be a resort area may enact. Revenue from the tax benefits the municipality or township. The tax was authorized by House Bill 327 of the 120th General Assembly, which became law on June 30, 1993.

The village of Kelley's Island enacted the first resort area gross receipts tax in 1993. The village and township of Put-in-Bay followed suit in 1996.

Municipalities and townships may declare themselves to be a resort area and enact the tax if they meet a three-pronged test:

- At least 62 percent of total housing units are for seasonal use as of the last federal census;
- Entertainment and recreation facilities are provided within the community that are primarily intended to provide seasonal leisure activity for nonresidents; and
- The municipality or township experiences seasonal peaks of employment and service demand because of a seasonal population increase.

In fiscal year 2014, the tax generated nearly $1.2 million divided among those jurisdictions that levied it, according to the rates in effect in each.

Taxpayer

(Ohio Revised Code 5739.101)

The resort area gross receipts tax is imposed on persons making general sales, or providing intrastate transportation or other services taxable under the state sales tax base, within a designated resort area.

Tax Base

(R.C.5739.101)

The tax is levied on the privilege of doing business in the resort area. It is measured by gross receipts generated from sales made and services provided within the boundaries of a designated resort area, as well as intrastate transportation to and from such an area.

Gross receipts are defined as activities, without deduction for the cost of goods sold or other expenses incurred, that contribute to the production of the gross income of a business. Gross receipts that are part of the tax base include:

- Rentals and leases of tangible personal property such as watercraft, golf carts, bicycles, videos, and fishing tackle.
- Wholesale and retail sales, including food con sumed on the premises.
- Hotel and motel room rentals.
- Repair or installation of tangible personal property.
- Warranties, maintenance or service contracts.
- Sales of certain services that are also subject to sales tax under R.C. 5739.01(B).

Rates

(R.C.5739.101)

The tax may be levied at rates of 0.5 percent, 1.0 percent or 1.5 percent. Currently, only three jurisdictions have enacted the tax: the village of Kelley's Island, the village of Put-in-Bay and the township of Put-in-Bay. The rate in each jurisdiction is 1.5 percent.

Exemptions

(R.C.5739.101)

Sales of food may only be included to the extent such sales are subject to the state's sales tax. Transportation of passengers as part of a tour or cruise in which the passengers will stay in the municipal corporation or township for no more than one hour are exempted from the calculation of the tax.

Credits

There are no credits available against this tax.

Special Provisions

The resort area gross receipts tax is not a sales tax or a tax on transactions. It cannot be separately listed on an invoice or receipt to customers, nor can it be collected directly from customers.

Filing and Payment Dates

There are two semi-annual reporting periods for the tax. Returns are due to the Tax Commissioner approximately

30 days after the close of each reporting period:

- Jan. 1 through June 30 – returns are due July 31.
- July 1 through Dec. 31 – returns are due Jan. 31.

Administration and Disposition of Revenue

(R.C.5739.102)

The Tax Commissioner administers the resort area gross receipts excise tax and distributes the revenue to the general fund of the township or municipality that levied the tax within 45 days after the end of each month that the tax was paid. One percent is withheld and deposited into the GRF to cover the costs of administering the tax.

Ohio Revised Code Citations

R.C. 5739.101 – 5739.104

History of Major Changes

1993	The General Assembly enacts House Bill 327, authorizing municipalities or townships that meet certain requirements to declare themselves a "resort area" and levy a resort area gross receipts tax. Shortly thereafter, the village of Kelley's Island enacts tax.
1996	The village of Put-in-Bay and township of Put-in-Bay both enact the tax.

Table 1

Resort Area Gross Receipts, Net Tax Revenue, Fiscal Years 2010-2014

Fiscal Year	Village of Put-in-Bay	Township of Put-in-Bay	Village of Kelley's Island	Total
2010	$437,607	$211,814	$184,660	$834,081
2011	487,388	212,497	120,399	820,284
2012	642,240	236,574	116,714	995,528
2013	653,841	282,080	146,751	1,082,672
2014	719,111	293,689	141,509	1,154,319

Source: Ohio Deptartment of Taxation records

Table 2

Resort Area Gross Receipts Revenue

Fiscal Year	Revenue to local governments	State Administrative Fee	Total Tax Revenue
2010	$797,481	$8,055	$805,536
2011	$818,721	$8,270	$826,990
2012	$995,528	$10,056	$1,005,583
2013	$1,083,129	$10,936	$1,094,065
2014	$1,154,319	$11,660	$1,165,978

Source: Ohio Office of Budget and Management fiscal reports