



To: All County Auditors
From: Ohio Department of Taxation – Revenue Accounting
Date: August 17, 2015
RE: Instructions for the August 20, 2015 Semi-Annual Settlement of Estate and Inheritance Taxes as Outlined in the Ohio Revised Code, Sections 5731.46 & 5731.47

All estate, inheritance taxes and interest collections received and refunds issued by the county auditor **on or before August 20, 2015 are required to be included** in this settlement. That is, all tax collections and refunds not included in any preceding settlement should be reported in the August 2015 settlement.

Remittance of Payment

Upon receipt of the settlement documents, the Ohio Department of Taxation will audit the forms and send to the County Auditor, a Certification (E.T. 33 (C)), as well as the Summary of Settlement (E.T. 33 (B)). **Payment should not be sent with the settlement documents.** Upon receipt of the Certification, forward a check made **payable to the Treasurer of State to:**

**Ohio Department of Taxation
Revenue Accounting
P.O. Box 183077
Columbus, Ohio 43218-3077**

DO NOT send checks to the Treasurer of State

The following forms are required to be completed and submitted to the Ohio Department of Taxation for the August 20, 2015 settlement:

- Form E.T. 33 (B) - Summary of Settlement
- Form E.T. 33 (D) - Collections for Dates of Death on or after January 1, 2002
- Form E.T. 33 (E) - Collections for Dates of Death on or after January 1, 2001 to December 31, 2001
- Form E.T. 33 (F) - Collections for Dates of Death on or after July 1, 1983 to December 31, 2000
- Form E.T. 33 (G) - Collections for Dates of Death on or before June 30, 1983
- Form E.T. 33 (H) - Refunds for Dates of Death on or after January 1, 2002
- Form E.T. 33 (I) - Refunds for Dates of Death on or after January 1, 2001 to December 31, 2001
- Form E.T. 33 (J) - Refunds for Dates of Death on or after July 1, 1983 to December 31, 2000
- Form E.T. 33 (K) - Refunds for Dates of Death on or before June 30, 1983
- County Auditor Salary Worksheet
- County Auditor PERS Worksheet

If additional forms are needed, please feel free to copy them.

INSTRUCTIONS FOR SUMMARY OF SETTLEMENT E.T. 33 (B)

Make sure each and every form 33(D) through 33(K) is subtotaled. For the counties that have re-created these forms, make sure you separate the refunds and collections that are designated by 20/80 split, 30/70 split, 36/64 split and/or 50/50 split and put them on separate forms. Finally, all collections and refunds are to be listed in "**date paid**" order. This simple adjustment will expedite the audit.

COLLECTIONS AND REFUNDS

Please Note the Following as stated in May 22, 2015 E-mail

With estate tax collections declining, the Ohio Department of Taxation has revised how the state portion of estate tax refunds are handled to alleviate some of the financial burden placed on the counties. The state portion will now be disbursed to the county by the last business day of the following month on all refunds that are certified on or after April 15th, 2015. The county will be emailed a breakdown of the refunds that encompassed the disbursement which can be cross-referenced to the individual notifications of refund sent out by our Estate Tax Division. The state portion of the refunds that are received through this new process should not be included on the semi-annual estate tax settlement.

That is, the refunds that are received through this new process should not be included on E.T. 33 (H), (I), (J) and/or (K).

CALCULATING THE TOTAL GROSS AND TOTAL NET COLLECTIONS

- 1.) Total all collections plus interest paid from forms ET 33 (D), (E), (F), and (G) and report on line #1 GROSS COLLECTIONS. **Please do not include REFUNDS.**
- 2.) Complete columns A, B, C, and D from the appropriate forms ET 33 (D), (E), (F), (G), (H), (I), (J) and (K) by reporting gross collections on line #2a, interest paid on line #2b and refunds on line #2c.
- 3.) Add together #2a gross collections, #2b plus interest paid minus #2c refunds and report on line #2d NET COLLECTIONS in columns A, B, C and D.
- 4.) Multiply column A's net collections by 50 percent, column B's net collections by 36 percent, Column C's net collections by 30 percent and Column D's net collections by 20 percent and report on line #3 under each of the appropriate columns.
- 5.) Add together all columns' net collections on line #3 and report on line #4.

E.T. 33 (B) – Line four and Line seven

If the amount on line four is less than zero, the Ohio Department of Taxation will reimburse your County for that amount only. All fees and expenses will need to be charged to the Real Estate Assessment Fund (REA Fund) in accordance with O.A.C. 5703-25-55 (C)(2)(b). Additionally, please use the REA Fund should line four be greater than zero, but line seven is negative.

FEES AND EXPENSES

Please Note the Following Change in Procedure

All fees are to be shared between the locals and state based on the proportion of tax revenue received pursuant to R.C. 5731.48. Both the distribution of revenue and the share of fees are based upon the decedent's date of death.

CALCULATING THE TREASURER'S FEE

The calculations of the TREASURER AND AUDITOR'S FEES are based on the gross collections plus interest paid ONLY and is therefore **BEFORE** refunds.

Pursuant to Section 321.27 O.R.C. the County Treasurer shall be allowed as fees:

- 1.) Three percent (3%) on the first \$100,000;
- 2.) Two percent (2%) on the next \$100,000;
- 3.) One-half of one percent (0.50%) on all additional sums.

If Gross Tax Plus Interest

<u>Collected is:</u>	<u>The County Treasurer's Fee Shall Be:</u>
\$100,000 or less	3% of the Gross Tax Plus Interest
\$100,001 to \$200,000	\$3,000 plus 2% of excess over \$100,000
\$200,001 and above	\$5,000 plus 0.50% of excess over \$200,000

- 4.) Report the state's share of the Treasurer's fee in the appropriate column based on the decedent's date of death on line #5a. **Example: Use formula above to calculate total Treasurer's fee. Next, divide the gross collections for decedent's date of death between 7/1/1983-12/31/2000 by the total gross collections. Use ratio to multiply by total Treasurer's fees. Lastly, multiply that by the appropriate state's share (36%). Appendix A may be used as a tool to assist in determining the state share of the Auditor's fee.**

CALCULATING THE AUDITOR'S FEE

Pursuant to Section 319.54 (E) O.R.C. the County Auditor shall be allowed as fees:

- 1.) Four percent (4%) on the first \$100,000;
- 2.) One-half of one percent (0.50%) on all additional sums.

If Gross Tax Plus Interest

<u>Collected is:</u>	<u>The County Auditor's Fee Shall Be:</u>
\$100,000 or less	4% of the Gross Tax Plus Interest
\$100,001 and above	\$4,000 plus 0.50% of excess over \$100,000

- 3.) Report the state's share of the Auditor's fee in the appropriate column based on the decedent's date of death on line #5b. **Example: Use formula above to calculate total Auditor's fee. Next, divide the gross collections for decedent's date of death before 7/1/1983 by the total gross collections. Use ratio to multiply by total Auditor's fees. Lastly, multiply that by the appropriate state's share (50%). Appendix A may be used as a tool to assist in determining the state share of the Auditor's fee.**

COUNTY AUDITOR'S SALARY - Section 5731.41 O.R.C.

The Department of Taxation will reimburse a percentage of the total salary based on decedent's date of death, which the County Auditor received while acting as a Tax Commissioner Agent pursuant to Section 5731.41 O.R.C. **The salary expenses submitted should include those paid since the last settlement (February 2015).** Complete the enclosed County Auditor Salary Worksheet to indicate the County Auditor's salary expense. Report the Auditor's Salary expense in the appropriate state share column on line #5c on the ET 33 (B). Most counties report six months at each settlement period. **Appendix A may be used as a tool to assist in calculating based on decedent's date of death.**

COUNTY AUDITOR PERS - Section 5731.47 O.R.C.

The Department of Taxation will reimburse a percentage of the allowable 14.00% of the County Auditor's gross earnings, based on decedent's date of death. **The PERS expenses submitted should include those paid since the last settlement (February 2015).** Complete the enclosed County Auditor PERS Worksheet to indicate the PERS expense. Report the Auditor's PERS expense on the appropriate state share column on line #5d on the ET 33 (B). Most counties report six months at each settlement period. **Appendix A may be used as a tool to assist in calculating based on decedent's date of death.**

OTHER FEES and EXPENSES - Section 5731.47 O.R.C.

The Department of Taxation will reimburse collection fees made on a county's behalf by the State Attorney General's office, based on decedent's date of death (report on line #5e). The Estate Tax Division forwards form ET-851 outlining the procedures to be completed. A copy of this form is to be returned with all other settlement forms.

Delinquent real estate taxes on state owned property is also an approved expense reimbursed at 100%. These should be reported on line #5g, and original or duplicates of the tax bills indicating the delinquent amount must be included.

CALCULATING THE TOTAL STATE SHARE OF FEES AND EXPENSES

To arrive at the total state share of fees and expenses, add all fees and expenses reported in the corresponding columns for line #5a-e. Report these figures in the columns on line #5f. Then report the total of all columns on line #5f plus line #5g on line #6.

AMOUNT DUE TO THE STATE

To arrive at the amount due to the State of Ohio on line #7, subtract all fees and expenses reported on line #6 of the E.T. 33 (B) from total net collections reported on line #4.

As previously noted, if the amount on line four is less than zero, the Ohio Department of Taxation will reimburse your County for that amount only. All fees and expenses will need to be charged to the Real Estate Assessment Fund (REA Fund) in accordance with O.A.C. 5703-25-55 (C)(2)(b). Additionally, please use the REA Fund should line four be greater than zero, but line seven is negative.

Finally, we are also requesting a breakdown of the Estate Tax Distributions made to each local entity for the current (August 2015) settlement period. We have enclosed instructions detailing the exact data we are requesting as well as an example of the format in which we need the data. Please adhere to the format prescribed in the instructions as closely as possible. Please forward the forms as well as any questions to:

**Ohio Department of Taxation
Revenue Accounting Division
Attn: Johnathan Heckert
P.O. Box 183077
Columbus, Ohio 43218-3077
(614) 466-7150**

***PLEASE COMPLETE ALL FORMS AS SOON AS POSSIBLE,
BUT NO LATER THAN OCTOBER 30, 2015***

SUMMARY OF SETTLEMENT AND CERTIFICATION OF ESTATE AND INHERITANCE TAX COLLECTIONS
Through settlement date of August 20, 2015

FROM: The Auditor of _____ County, Ohio
Phone No: _____
Prepared By: _____
I hereby certify, that on _____ 20____, I settled with the Treasurer of this county pursuant to the provisions of Chapter 5731 ORC and I have provided below a true and accurate summary of the various amounts applicable to such settlement for audit and subsequent disposition by the Tax Commissioner.
Certified by: _____ Date Certified: _____

COMPUTATION OF ESTATE AND INHERITANCE TAXES PAYABLE TO THE STATE

1. TOTAL GROSS COLLECTIONS: \$ _____
Combine gross collections and interest paid from ET 33 (D), (E), (F) and (G)

	Column A Death Before 7/1/83	Column B Date of Death Between 7/1/83 - 12/31/00	Column C Date of Death Between 1/1/01 - 12/31/01	Column D Date of Death ON or AFTER 1/1/02
2. Collections				
a) gross collections	\$ _____	\$ _____	\$ _____	\$ _____
b) plus interest paid	\$ _____	\$ _____	\$ _____	\$ _____
c) less refunds	\$ (_____)	\$ (_____)	\$ (_____)	\$ (_____)
d) NET COLLECTIONS	\$ _____	\$ _____	\$ _____	\$ _____
3. Multiply Collections: X 50% = \$	X36% = \$ _____	X30% = \$ _____	X20% = \$ _____	X20% = \$ _____
4. TOTAL NET COLLECTIONS (Combine net collection totals at 50%, 36%, 30% and 20%)	\$ _____	\$ _____	\$ _____	\$ _____
5. Fees and Expenses:	50%	36%	30%	20%
a) County Treasurer's Fee	\$ _____	\$ _____	\$ _____	\$ _____
b) County Auditor's Fee	\$ _____	\$ _____	\$ _____	\$ _____
c) County Auditor's Salary	\$ _____	\$ _____	\$ _____	\$ _____
d) County Auditor's PERS	\$ _____	\$ _____	\$ _____	\$ _____
e) Other Fees & Expenses	\$ _____	\$ _____	\$ _____	\$ _____
f) TOTAL (a-e)	\$ _____	\$ _____	\$ _____	\$ _____
g) Other Fees and Expenses where the State will pay 100%				100% \$ _____

6. Net Total STATE SHARE of Fees and Expenses
7. Amount due to the state (Subtract line #6 from line #4):

Tax Commissioner's Certification
Joseph W. Testa, Tax Commissioner

To: Honorable Josh Mandel, Treasurer of the State of Ohio
Pursuant to the provisions of CAMS Legislation amending Sec. 319.54 (E) O.R.C., this office has reviewed the required documentation pertinent to the settlement of estate and inheritance taxes and certifies the net amount due the State of Ohio is correct. As noted above the net amount is due and payable to Ohio's General Revenue Fund. A certificate for such amount is attached hereto.

Certified by _____ Date certified _____
Johnathan Heckert, Tax Commissioner Agent Supervisor

**AUGUST 2015 SETTLEMENT
AUDITOR SALARY EXPENSE WORKSHEET
FOR AUDITOR SALARY EXPENSES PAID
SINCE FEBRUARY 2015 SETTLEMENT**

MONTH/YEAR	AUDITOR SALARY EXPENSES
MONTH _____/YEAR _____	\$ _____
SUBTOTAL	\$ _____

*See Appendix A to assist in calculating the state's proportionate share of salary expense based on decedent's date of death. Report amounts on line #5c.

**AUGUST 2015 SETTLEMENT
PERS EXPENSE WORKSHEET
FOR PERS EXPENSES PAID
SINCE FEBRUARY 2015 SETTLEMENT**

MONTH/YEAR	PERS EXPENSES
MONTH _____/YEAR _____	\$ _____
SUBTOTAL	\$ _____

***See Appendix A to assist in calculating the state's proportionate share of PERS expense based on decedent's date of death. Report amounts on line #5d.**

Dear County Auditor;

As the research and statistical arm of the Department of Taxation, the Tax Analysis Division is continually striving to make sure that the data we gather is accurate and useful to all interested parties. The data we are requesting below is published for the general public as well as legislators and others involved in tax policy. We want to publish this data as accurately as possible. In an attempt to achieve this goal we have developed a more concise form that is easier to understand and clearly defines the data we are requesting. Please follow the format prescribed below. Your cooperation in this ongoing endeavor is crucial and greatly appreciated.

INSTRUCTIONS FOR THE REPORTING OF LOCAL and OUTSIDE COUNTY ESTATE TAX DISTRIBUTIONS

Please submit a list of the municipal and township (NET) distributions that were made during this settlement period. An example of the format is shown below; please follow this format as closely as possible. The example shows the (a) *gross collections* (PLEASE DO NOT SEPARATE ADVANCEMENTS FROM THIS FIGURE) minus (b) *refunds* minus (c) *local share of fees and expenses* = (d) *net distribution*.

ONE COUNTY, OHIO				
Local Subdivision	(a)	(b)	(c)	(d)
	Gross Estate Tax Collections (advancements included)	Refunds	Local Share of Expenses Withheld from Distribution	Net Estate Tax Distribution
Somewhere City	\$4,300.00	\$1,000.00	\$125.00	\$3,175.00
Anywhereville	500.00	150.00	\$12.00	\$338.00

Also, include all distributions made outside your county using the same format as referenced above (see example below). **Clearly identify the locality in which those distributions were credited (municipality or township, as well as county).**

OUTSIDE COUNTY ESTATE TAX DISTRIBUTIONS				
Outside County Subdivision <i>(both COUNTY and SUBDIVISION)</i>	(a)	(b)	(c)	(d)
	Gross Estate Tax Collections (advancements included)	Refunds	Local Share of Expenses Withheld from Distribution	Net Estate Tax Distribution

