

# DRAFT–NOT FOR FILING

5703-9-13 Sales and use tax; reporting periods.

(A) Vendor's ~~sales~~ seller's tax returns:

(1) Vendors licensed under section 5739.17 of the Revised Code and sellers licensed under section 5741.17 of the Revised Code are required to file returns and remit the tax due each month unless the tax commissioner authorizes filing at less frequent intervals as provided in paragraph (A)(2) of this rule

(2) Vendors and sellers that do not hold a permit to sell alcoholic beverages ~~will~~may be authorized to file returns and remit tax due on a semiannual basis if their average monthly ~~sales~~ tax liability collections are less than two hundred dollars.

(3) Notwithstanding paragraph (A)(2) of this rule, the commissioner may require any vendor or seller that fails to timely file returns and remit tax due to file returns and remit tax on a monthly basis.

(B) ~~Seller's~~ use tax returns:

~~(1) Sellers required to register under division (A) of section 5741.17 of the Revised Code are required to file returns and remit tax due in the same manner as vendors under paragraph (A) of this rule.~~

~~(2)(a) Sellers registered voluntarily under division (B) of section 5741.17 of the Revised Code are required to file returns and remit taxes due on a calendar year basis. Additionally, such seller shall file a return and remit tax collected for any month in which the seller has collected an accumulated amount of state and local use taxes of one thousand dollars or more.~~

~~(b) If at any point in a calendar year the seller has collected over eighteen thousand dollars of tax, the seller shall thereafter be required to file on a monthly basis unless the seller can substantiate to the commissioner that its future tax collections are expected to be less than one thousand dollars per month.~~

(C) Direct pay ~~returns~~ permit holders:

(1) Holders of direct pay permits issued pursuant to section 5739.031 of the Revised Code are required to file returns and remit tax due each month unless the ~~tax~~ commissioner authorizes filing at less frequent intervals as provided in paragraph ~~(C)~~(B)(2) of this rule.

(2) Holders of direct pay permits ~~will~~may be authorized to file returns and remit tax due on a quarterly basis if their average monthly tax liability is less than five thousand dollars.

~~(D)~~(C) Consumer's use tax returns:

(1) Business consumers:

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(a) Business consumers that file returns pursuant to section 5741.12 of the Revised Code are required to file returns and remit tax due each month unless the tax commissioner authorizes filing at less frequent intervals as provided in paragraph ~~(D)(C)~~(1)(b) of this rule.

(b) Business consumers ~~will~~may be authorized to file returns and remit tax due on a quarterly basis if their average monthly tax liability is less than five thousand dollars.

(2) Individual consumers:

(a) Individuals that do not file consumer's use tax returns under paragraph ~~(D)(C)~~(2)(c) of this rule and whose use tax liability in the current calendar year is anticipated to be not more than one thousand dollars may file and remit the tax due in any year either on their income tax return under Chapter 5747 of the Revised Code for that year by the due date of that return or on ~~Form VP Use, Ohio Use Tax Voluntary Payment Form,~~the prescribed voluntary payment form for the calendar year. An individual that reports a use tax liability on an income tax return is subject to the statute of limitations with regards to assessments or refunds found in Chapters 5739. and 5741. of the Revised Code.

(b) Individuals that report and remit tax under paragraph ~~(D)(C)~~(2)(a) of this rule that make either an extraordinary individual purchase on which the tax exceeds seven hundred fifty dollars or a purchase of a motor vehicle, titled watercraft or titled outboard motor, on which tax is neither collected by a vendor nor, in the case of a motor vehicle, titled watercraft or titled outboard motor, paid by the consumer to the clerk of courts, must separately report and remit tax on that purchase using a ~~Form VP Use, Ohio Use Tax Voluntary Payment Form,~~the prescribed voluntary payment form for the calendar quarter in which the purchase was made. Any such extraordinary purchase shall not be considered in calculating the tax liability for the current calendar year under paragraph ~~(D)(C)~~(2)(a) of this rule.

(c) ~~Except as provided in~~ of paragraph ~~(D)(2)~~(d) of this rule, ~~individuals~~Individuals whose annual tax liability is greater than one thousand dollars or any other individuals that the commissioner requires to obtain a consumer's use tax account ~~or voluntarily obtain such an account~~ shall file returns in the same manner as business consumers under paragraph ~~(D)(C)~~(1) of this rule.

~~(d) The tax commissioner may, by agreement with any individual taxpayer required to file monthly consumer's use tax returns, authorize an alternate method of filing if that method will make the individual's tax reporting more accurate and expeditious.~~

~~(E)(D)~~(1) As used in this rule, returns filed on a semiannual basis will be for the reporting periods January through June and July through December. Returns filed on a quarterly basis will be for the reporting periods January through March, April through June, July through September and October through December.

(2) Except as otherwise provided in this rule, any sales tax, seller's use tax, ~~direct pay,~~ or consumer's use tax return, including a ~~Form VP Use, Ohio Use Tax Voluntary Payment Form~~ the prescribed voluntary payment form, must be filed on or before the twenty-third day of the month following the end of the reporting period.

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(3) The ~~tax~~ commissioner shall establish a filing interval for each newly registered vendor, seller, direct pay holder or consumer's use tax account holder within a reasonable amount of time ~~of~~after setting up the account and shall inform the vendor, seller, direct pay holder or consumer of that filing interval. Except as provided in paragraph (B)(2) or (D)(2) of this rule, unless the taxpayer is notified by the commissioner of an alternate filing period the filing period shall be monthly.

~~(F)~~(E) Partial returns may be required for any taxpayer reporting on a semiannual or quarterly basis as a result of a tax rate change that becomes effective during a reporting period. The partial returns are necessary to separate the two tax rates in effect during the reporting period.

~~(G)~~(F) For purposes of computing any applicable penalty, interest, and additional charges, unreported sales or use tax that was not but should have been reported pursuant to paragraphs (A) to ~~(D)~~(C) of this rule shall be considered due on the filing date of the tax return for such unreported tax as determined using the filing basis authorized under those paragraphs.

~~(H)~~(G) Notwithstanding the provisions of ~~paragraphs~~paragraph (A) ~~and (B)~~ of this rule, the returns must be filed and tax due remitted on a monthly basis for any vendor or seller that elects to employ a certified service provider, as defined in division (C) of section 5740.01 of the Revised Code, or that uses a certified automated system, as defined in division (B) of section 5740.01 of the Revised Code.

~~(I)~~(H) Any holder of an active vendor's license, seller's use tax account, direct pay account or consumer's use tax account shall file returns according to the filing schedule established under this rule for every filing period, regardless of whether there is tax liability for that period.

~~(J)~~(I) The ~~tax~~ commissioner shall calculate the "average monthly tax liability," as that term is used in paragraphs (A)(2), ~~(C)~~(B) (2), and ~~(D)~~(C) (2) of this rule, using the liability of the vendor, seller, direct pay holder or consumer's use tax account holder for a ~~previous period of not less than one year and not more than two years~~ the prior twelve month period.

~~(K)~~(J)

(1) The ~~tax~~ commissioner may require any vendor, seller, direct pay holder or consumer to use a different filing period than required by paragraph (A), (B)~~(1)~~, (C), ~~or (D)~~ of this rule if the commissioner finds that it would result in improved compliance or increased administrative efficiency.

(2) Any vendor, seller, direct pay holder or consumer may file a request with the ~~tax~~ commissioner to change their reporting period. The commissioner may agree to the request if the commissioner finds the alternate filing period would improve compliance or increase administrative efficiency.

(3) Whenever the commissioner changes a filing period for a vendor, seller, consumer or direct pay holder, the commissioner shall determine the date on which the change in filing period takes effect.

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~~(L)(K)~~ Except as provided in paragraph (B)(2) of this rule, ~~nothing~~Nothing in this rule shall be construed to have any impact on whether a vendor, seller, direct pay holder or consumer is required to make remittances by electronic funds transfer or to make accelerated payments of tax liability.