

# ***Commercial Activity Tax Basics***

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&

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Department of  
Taxation

# Overview



- What is Commercial Activity Tax?
- Who is a Taxpayer?
- What are Taxable Gross Receipts?
- How are Taxable Gross Receipts Sitused?
- What Types of Filing Entities are there?
- How do I Register?
- When do I Register?
- When are my Returns and Payments Due?
- How Much do I Pay?
- How do I File?

# What is Commercial Activity Tax?

- The CAT is a broad-based, low rate tax on the privilege of doing business in Ohio that is measured by a taxpayer's taxable gross receipts.



# ***But what does all that mean?***

The CAT is a broad-based, low rate tax on the privilege of doing business in Ohio that is measured by a taxpayer's taxable gross receipts.

- **Broad-based** - This means that the CAT applies to more business types and industries than traditional corporate income or franchise taxes.
- **Low rate** – Taxpayers pay a minimum tax on the first \$1 million of taxable gross receipts, then just .26% on each dollar over \$1 million. That is .0026 cents per dollar.
- **Privilege of doing business** –The CAT statute defines “doing business” as “engaging in any activity, whether legal or illegal, that is conducted for, or results in, gain, profit, or income...” “Privilege” is a qualified right to engage in an activity. A privilege is a *qualified* right because it may be denied, suspended, or revoked.



# ***But what does all that mean?***

The CAT is a broad-based, low rate tax on the privilege of doing business in Ohio that is measured by a taxpayer's taxable gross receipts.

- **Taxpayer** – Simply put, a person or a group of persons that is subject to CAT. There are several types of “excluded persons.”
- **Taxable Gross Receipts** – Gross receipts that are situated (sourced) to Ohio under the siting statute, R.C. 5751.033. “Gross receipts” will be discussed in more detail later.

# *Who is a Taxpayer?*



- R.C. 5751.01(D) – “Taxpayer” means any person, or any group of persons..., required to register or pay tax under this chapter. “Taxpayer” does not include excluded persons.



# *Who is a Taxpayer?*

## *Persons*

- The definition of “person” includes:
  - Individuals
  - Combinations of individuals *of any form*
  - Trusts
  - Entities that are disregarded for federal income tax purposes
  - Associations
  - Joint ventures
  - Partnerships
  - Limited liability companies
  - *Any other entities*
- R.C. 5751.01(A) Lists many other entities that are “persons.” It is very broad and meant to include most, if not all, entity types and individuals.

# Who is a Taxpayer?

## *Excluded Persons*



- Any person with not more than one hundred fifty thousand dollars of taxable gross receipts during the calendar year (unless electing to file as a consolidated taxpayer – more on that later).
- A public utility that pays the public utility excise tax.
- A financial institution that pays the financial institution tax (FIT).
- An insurance company that pays the insurance company premiums tax *or* the gross premiums tax under 3905.36.
- A person that solely facilitates or services certain securitizations related to electric generation and distribution facilities.
- Pre-income tax trusts that did not make a qualifying election to be taxed under the CAT.
- Nonprofit organizations, the state and its agencies, instrumentalities, or political subdivisions.

# ***Who is a Taxpayer? (Cont.)***

## ***Excluded Persons***



- **Please note:**

If you are an “excluded person,” you may still be required to be part of a combined or consolidated elected taxpayer group.

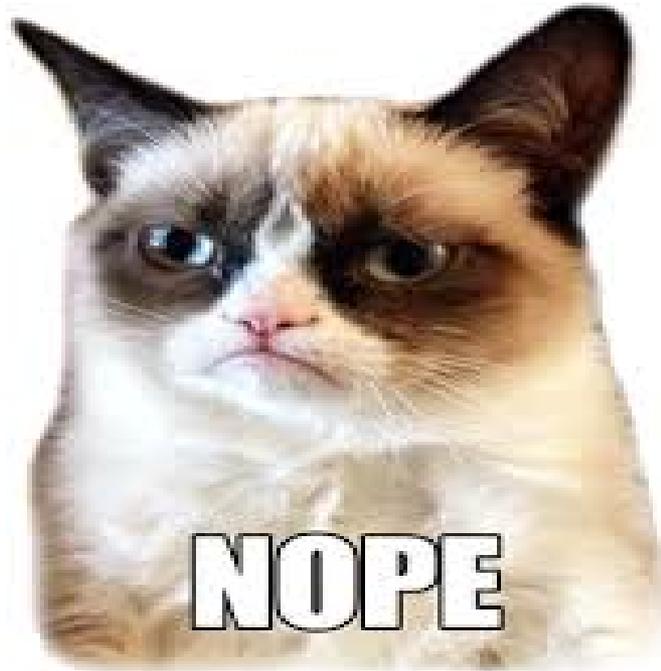
# **Question Time:**

I am the sole proprietor of an insurance agency in Ohio that has more than \$150,000 in gross receipts each year from selling various insurance policies to my Ohio clients.

Am I an excluded person under 5751.01(E)?



## *Answer Time:*

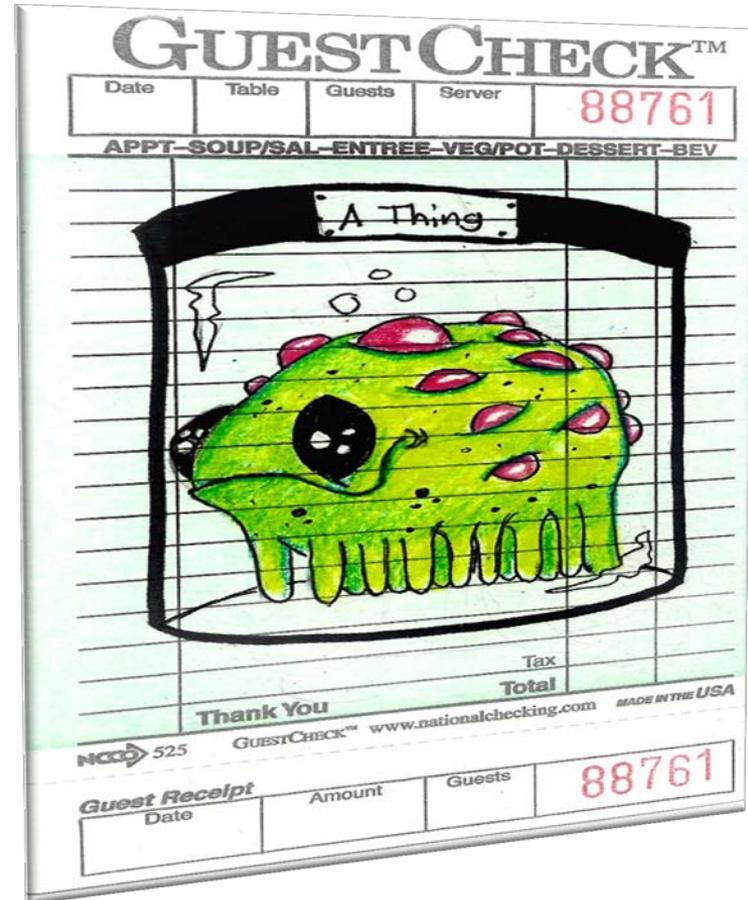


Independent insurance agencies are *not* insurance companies that pay the insurance company premiums tax.

The sole proprietor/agent is both a “person” and a “taxpayer” under the CAT.

# What are Gross Receipts?

- Gross receipts are the total amount realized by a person without deduction for the cost of goods sold or other expenses incurred, from activities that contribute to the production of gross income.



# *What are Gross Receipts?*

- The following are examples of gross receipts:
  - Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another
  - Amounts realized from the taxpayer's performance of services for another
  - Amounts realized from another's use or possession of the taxpayer's property or capital
  - Any combination of the foregoing amounts.



# ***Exclusions from Gross Receipts***

## **There are many exclusions from Gross Receipts including:**

- Interest (except from credit sales)
- Dividends and distributions or distributive or proportionate shares
- Employee Compensation
- Receipts in excess of an agent's commissions, fee, or other remuneration
- Sales or use taxes
- Certain excise taxes paid
- Qualifying distribution center receipts
- Motor fuel
- Cash discounts allowed and taken
- Returns and allowances
- Bad Debts
- Amount realized from the sale of an account receivable

A full list can be found on [tax.ohio.gov](http://tax.ohio.gov)

# ***Can I exclude interest from my gross receipts?***

- Interest income, except for interest from credit sales, is excluded from the definition of a “gross receipt”.
- Interest earned on a savings account is specifically excluded.
- A receipt from a monthly interest fee on a retail installment contract is included.



# *How do I know if I am an Agent?*

- Types of agents as defined in R.C. 5701.01 (P)
  - A person receiving a fee to sell financial instruments
  - A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person
  - A person issuing licenses and permits under R.C. 1533.13
  - A lottery sales agent holding a valid license under R.C. 3770.05
  - A person acting as an agent of the Division of Liquor Control under R.C. 4301.17



# How do I know if I am an Agent?

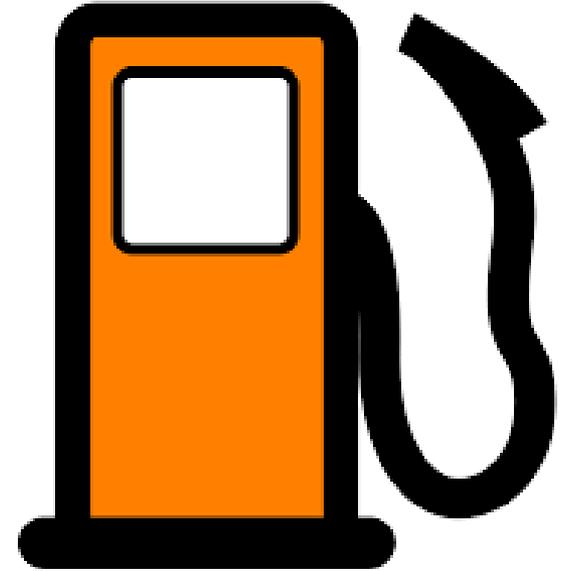
Common characteristics of agents:

- You can enter into a binding transaction on behalf of another person.
- You have a contract that:
  - Requires you to act in the best interests of the other party
  - States that you are acting as an agent of the other party
  - Requires you to act as a fiduciary with regard to payments made or received on behalf of the other party
  - Subjects you to a high degree of control by the other party



# ***Are Receipts from the Sale of Motor Fuel subject to CAT?***

- July 1, 2005-June 30, 2007
  - Temporary Motor Fuel exclusion
- July 1, 2007-June 30, 2014
  - Included in gross receipts
- Effective July 1, 2014, receipts from the sale, transfer, exchange, or other disposition of motor fuel became excluded from the definition of gross receipts for purposes of the CAT.



# Cash Discounts

Cash discounts include the following:

- Early pay discounts
  - 2/10, net 30
- Incentive-based rebates received by a purchaser but not the purchaser's customer
- Discounts allowed and taken by a purchaser but not the purchaser's customer



# *Valid Cash Discount*

- Super Duper's Department Store purchases satellites from Super Sammie's Satellites.
- Super Sammie's Satellites sends Super Duper's Department Store an invoice with a 2/10, net 30 cash discount option.
- Super Sammie's Satellites can exclude the 2% discount from their gross receipts.



# ***Not a Cash Discount***

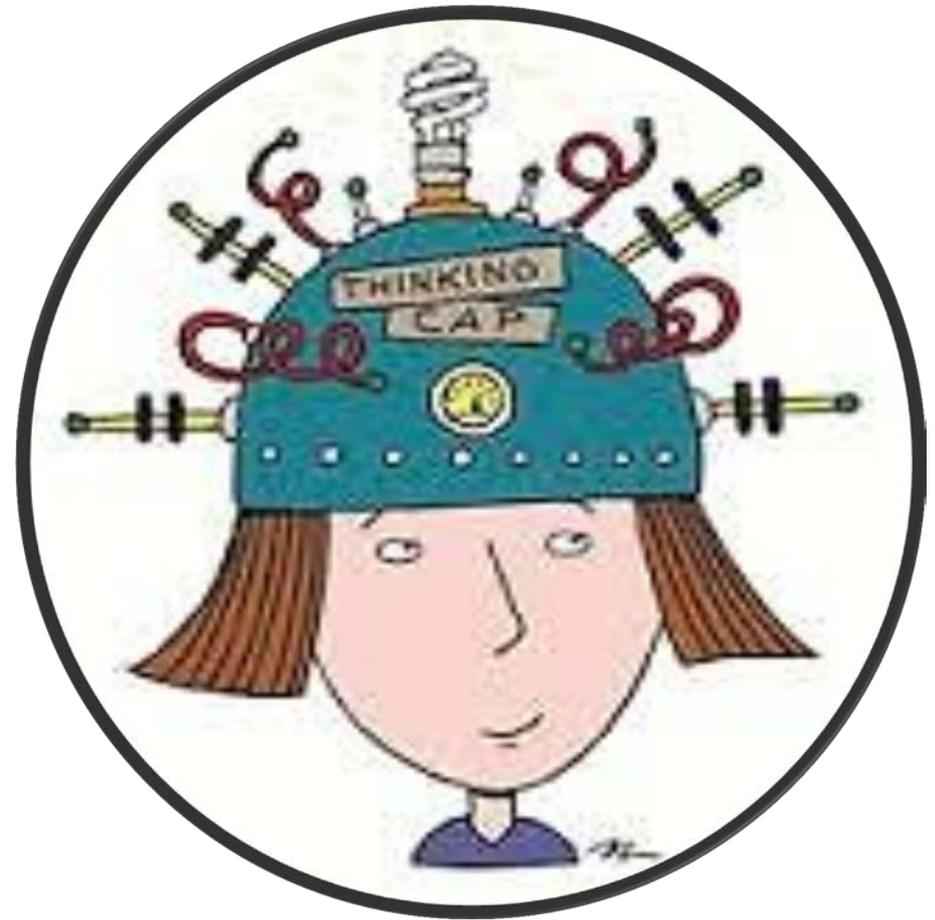


- A Dirty Dan's Dogs and Desserts franchise receives a flat fee for local advertising based on the number of hotdogs sold.
- The fee is considered a reimbursement of an expense.
- The franchise cannot exclude the fee from their gross receipts.



# Question Time: Exclusions

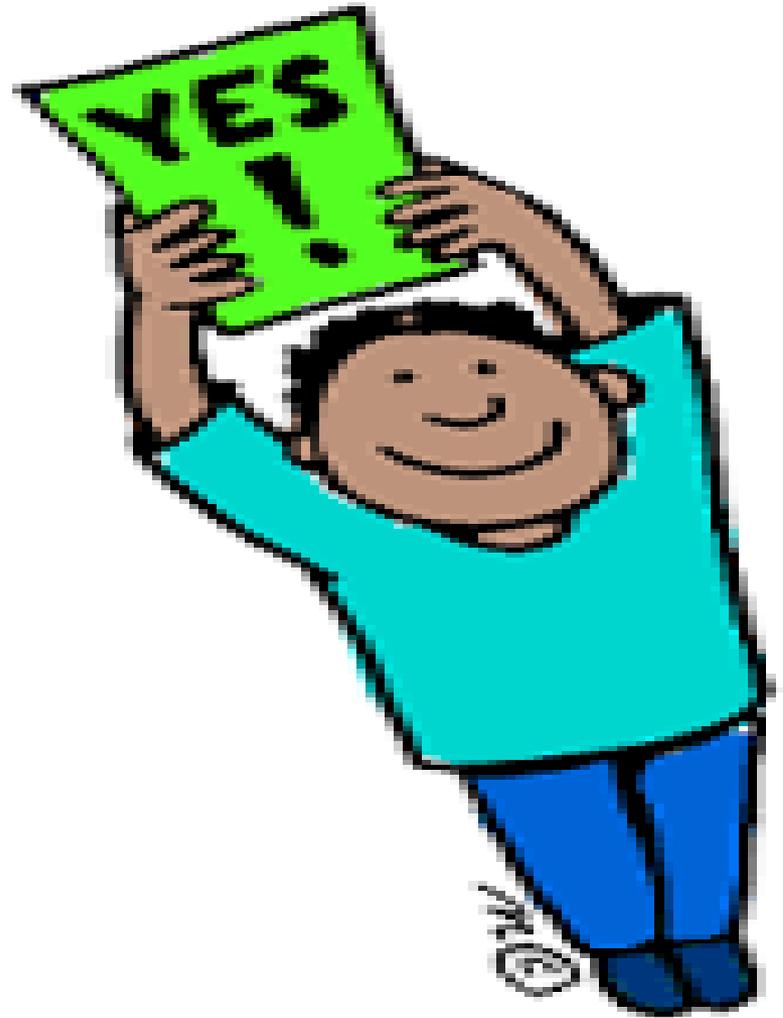
- An Ohio hardware store advertises a \$1 discount on 2 boxes of "X Brand" nails, and provides a store coupon for a \$1 discount on purchase of the 2 boxes of "X Brand" nails.
- The store is not reimbursed by "X Brand" Manufacturer for any such coupons tendered.



Is there a cash discount exclusion in this scenario?

# ***Answer Time: Exclusions***

When the customer purchases the nails and is given a \$1 discount, the hardware store is not required to include that \$1 in its calculation of gross receipts for purposes of the CAT.



# *What are Taxable Gross Receipts?*



- Taxable gross receipts means gross receipts *sitused* to Ohio
- Sitused (Latin for position or site) is a legal term used to mean place or belonging to

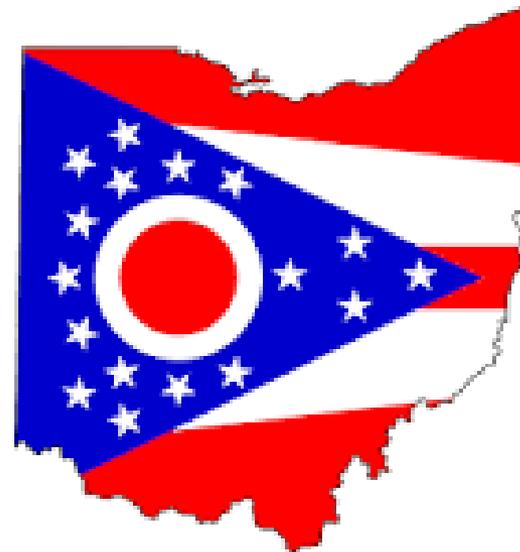
# *Situsing Gross Receipts*

- Nexus Standards
- Tangible Personal Property
- Services
- Miscellaneous



# ***Situsing Gross Receipts Nexus Standards***

- Q: Why is nexus a situsing issue?
- A: Ohio uses has a “bright-line presence” test to establish CAT nexus that includes a factor based on taxable gross receipts.



# ***Situsing Gross Receipts Nexus Standards***

- R.C. 5751.01(H) – Establishes the legal standard for determining whether a person has substantial nexus with Ohio for purposes of the CAT.
- Notwithstanding R.C. 5751.01(H), the Department currently takes the position that it will only enforce nexus against persons with “bright-line presence” pursuant to R.C. 5751.01(H)(3).

**IMPORTANT:** CAT nexus is NOT the same as the bright-line physical presence standard described in *Quill Corp. v. North Dakota* which requires a physical presence.

# *Situsing Gross Receipts Nexus Standards*



- R.C. 5751.01(I) - A person has “bright-line presence” in this state if any of the following apply:
  - The person has at least \$50,000 of either property or payroll in this state during the calendar year; OR
  - The person has at least \$500,000 of taxable gross receipts during the calendar year; OR
  - The person has at least 25% of the person’s total property, total payroll or total gross receipts within this state at any time during the calendar year; OR
  - The person is domiciled in this state as an individual or for corporate, commercial, or other business purposes



# *Situsing Gross Receipts*

- Section **5751.033** of the Revised Code describes how gross receipts should be sitused for the CAT.
  - Remember: If a gross receipt is sitused to Ohio, it is a “taxable gross receipt.”



# *Situsing Gross Receipts Tangible Personal Property*

- R.C. 5751.033(E):
  - Gross receipts from the sale of tangible personal property shall be sitused to this state **if the property is received in this state by the purchaser**. In the case of delivery...by motor carrier or by other means of transportation, **the place at which such property is ultimately received after all transportation has been completed** shall be considered the place where the purchaser receives the property ... regardless of where title passes or other conditions of sale.

# ***Situsing Gross Receipts Tangible Personal Property***

Things to consider when situsing gross receipts from the sale of tangible personal property:

- Whether the buyer or seller of the property arranges or provides the transportation does not change how the gross receipts are sitused.
- Use of common carriers does not change how the gross receipts are sitused.
- Location of title transfer does not control.
- Transfer of risk of loss does not control.
- Generally, “*look-through*” situsing is not allowed.



# ***Situsing Gross Receipts Services***

- As a general rule, gross receipts from services are sitused based on the proportion of the purchaser's benefit received in Ohio with respect to what was purchased compared to the purchaser's benefit everywhere.
  - Unless otherwise provided, the physical location where the purchaser ultimately uses or receives the benefit is paramount in determining the proportion of the benefit received in Ohio.

# *Situsing Gross Receipts Services*

- Ohio administrative code 5703-29-17
  - Provides situsing rules for 53 enumerated services.
  - Can be used as guidance for services that are similar to those enumerated services.



# ***Situsing Gross Receipts Miscellaneous***

- Transportation services by a motor carrier has its own statutory provision:
  - R.C. 5751.033(G) provides that gross receipts from transportation services by a motor carrier are sitused to Ohio based on the proportion of miles traveled in Ohio to miles traveled everywhere.



# *Situsing Gross Receipts*

## *Miscellaneous*

- **R.C. 5751.033(A)** – Gross rents and royalties from real property located in this state shall be sitused to this state.
- **R.C. 5751.033(B)** - Gross rents and royalties from tangible personal property shall be sitused to this state to the extent the tangible personal property is located or used in this state.
- **R.C. 5751.033(C)** - Gross receipts from the sale of electricity and electric transmission and distribution services shall be sitused to this state in the manner provided under section 5733.059 of the Revised Code.
- **R.C. 5751.033(D)** – Gross receipts from the sale of real property located in this state shall be sitused to this state.
- **R.C. 5751.033(H)** - Gross receipts from certain financial instruments shall be sitused according to 5733.056.



## ***Question Time:***

I own a company that manufactures tiny brass buckles that are incorporated into leprechaun shoes and headwear. My only plant, all of my employees, and the company headquarters are located in Ohio. I have no common owner. All of my product is shipped to either South Bend, Indiana or Dublin, Ireland. The annual gross receipts from the sale of the tiny brass buckles are in excess of \$50 million.



My accountant advised me that I have no CAT liability and do not need to register for the tax. Is she correct?

# *Answer Time:*



Your accountant was correct. You have less than \$150,000 in taxable gross receipts each year and no requirement to be part of a taxpayer group.

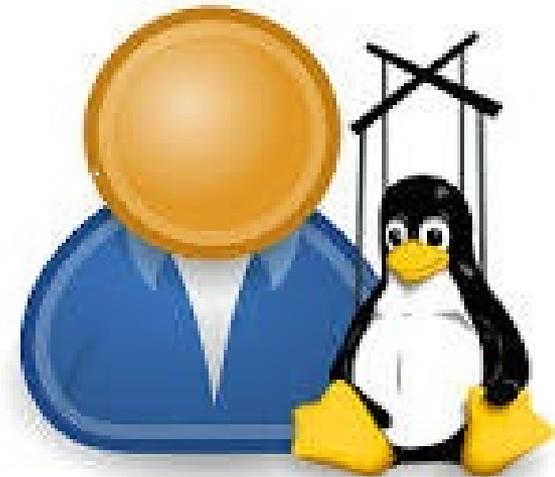
# *Types of Taxpayers*

- Combined Taxpayer Groups
- Consolidated Elected Taxpayer Groups
- Single Entity Taxpayers



# Common Ownership

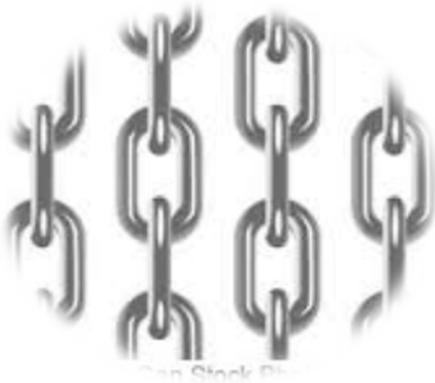
- If a person owns or controls, directly or constructively through related interests, **more than** 50% of another person, the 1<sup>st</sup> person is a common owner of the 2<sup>nd</sup> person.
- These persons must be members of a combined taxpayer group unless they elect to be members of a consolidated elected taxpayer group.



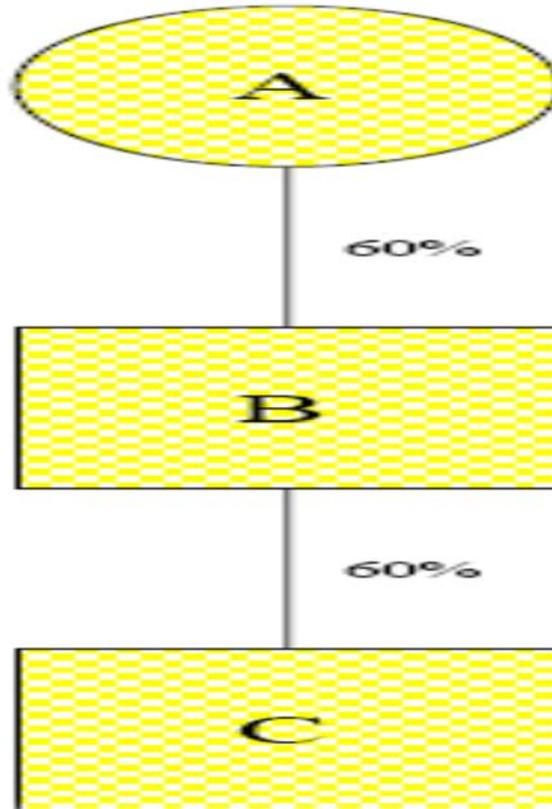
# Vertical Chain Test



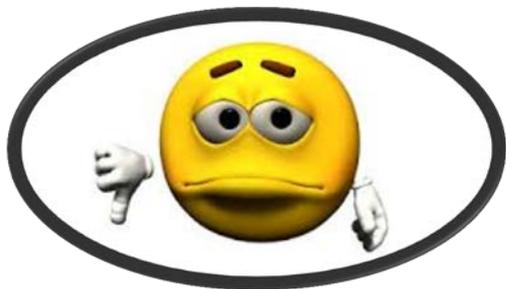
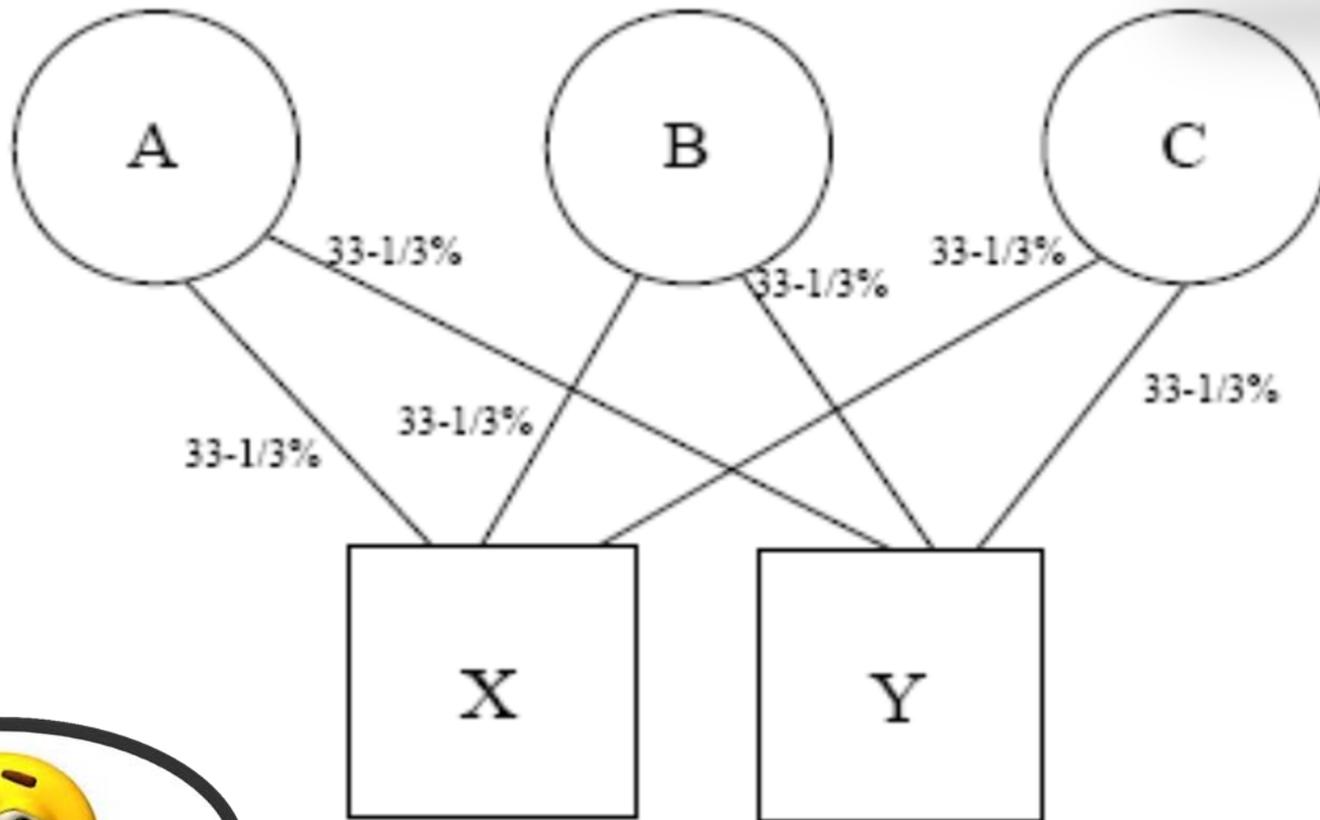
- Determination of common ownership is made using a vertical ownership test, based on voting rights.
- Continues as long as the ownership test is satisfied, separately or in the aggregate, by any one or more members of the group
- Internal Revenue Code attribution rules **do not apply**.



# Vertical Chain



# *Not a Vertical Chain*



# *Determining a Common Owner*

- **Limited Liability Company:**

- One person owns the company if that person's membership interest is 50% or more of the combined membership interests of all persons owning such interests in the company.

- **Partnership, PTE, and entities with membership interests or beneficial interests (e.g., business trusts or other unincorporated business interests):**

- Ownership value is calculated with respect to the fair market value of the voting interest in those entities.

- **Corporation:**

- Ownership value is calculated with respect to only those classes of stock having voting rights.
- Interests held in a corporation are attributable to any shareholder in the corporation based on the percentage of total value of the voting equity interests in the corporation owned and controlled by that shareholder.

- **Limited Partnership:**

- Only the value of General Partnership interests will be considered as the general partners are the only partners with voting interests.





# *Combined Filing Requirement*

- **Mandatory** for all persons, other than excluded persons, having more than 50% of the value of their ownership interest owned or controlled
- Only entities with nexus via a bright-line presence test
- Person who do not have nexus with the state of Ohio may nevertheless be “common owners,” but are not required to register as part of group for the CAT
  - Nexus is applied on a person-by-person basis
- Taxable Gross Receipts are calculated on the aggregate.



# ***Request to File Separately***

- A member of a **combined** group can request permission to file as a separate taxpayer (opt-out) and not as part of the combined group.
- Request via form CAT RTFS
- \$1 million exclusion remains with the combined group  
- The member remains jointly and severally liable for the combined group's tax liability.
- Separate member will pay the applicable tax rate in effect on every dollar of taxable gross receipts.
- Separate member will maintain the same filing frequency as the combined group.

# ***Consolidated Filing Election***

- The group elects to include all persons, including excluded persons, having at least at least 50% or 80% of the value of their ownership interests owned or controlled.
- Nexus is conceded by statute for all members satisfying the elected ownership threshold.
- Registration must include excluded persons.



# ***Consolidated Filing Election***

- Exclude taxable gross receipts between members
- Binding for eight (8) consecutive calendar quarters
- Automatically renews unless the taxpayer group notifies the commissioner of its decision to cancel the election prior to the due date of the 8<sup>th</sup> quarter's return.



# ***Consolidated Filing Election Decisions***

- Taxpayers must determine if they want to:
  - Include all entities or persons having at least 80% common ownership

**OR**

- Include all entities or persons having at least 50% common ownership

- Taxpayers must also determine if they want to:
  - Include all non-U.S. entities or persons

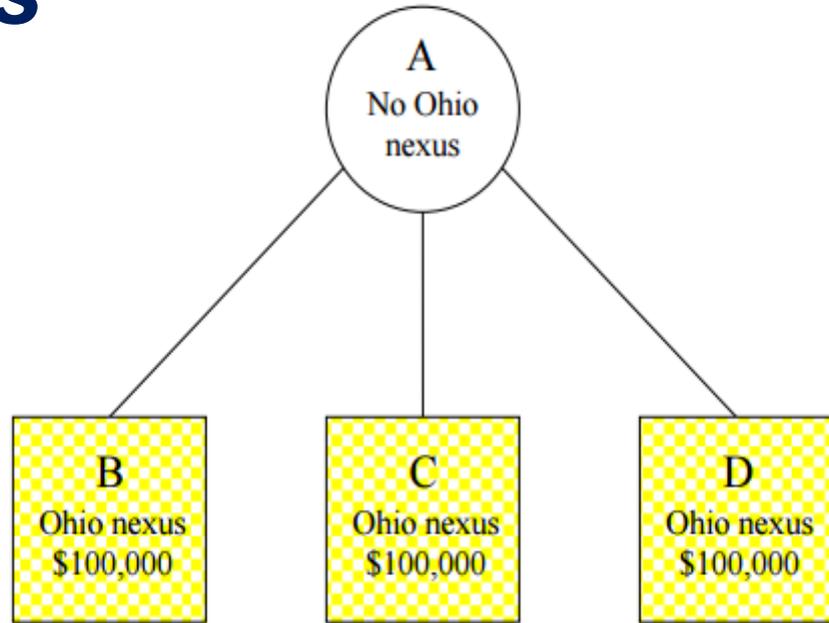
**OR**

- Exclude all non-U.S. entities or persons



# Question Time: Group Taxpayers

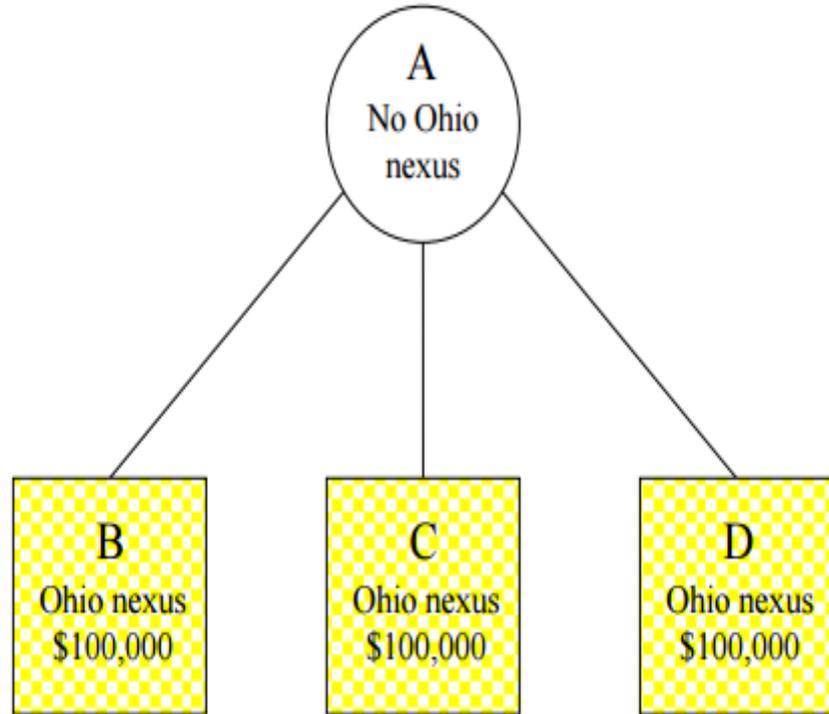
Assuming that Entity A owns 100% of Entities B, C, and D, which entities are required to be part of a combined taxpayer group?



# Answer Time: Group Taxpayers

Entities **B**, **C**, and **D** are required to register as a combined taxpayer group.

Entity **A** is the common owner of these entities, but is not required to be registered as part of the group because it does not have nexus in Ohio.



# *I'm subject! What do I do?*



- R.C. 5751.04 states that taxpayers have 30 days from the date they become subject to the CAT to register.
- Register through the Ohio Business Gateway
- Voluntary Disclosure Agreement
  - Must enter into and execute prior to any contact from ODT.
  - See Info Release CAT 2008-01 for more details.



# *When do I file?*

- Annual Taxpayers
  - Taxable Gross Receipts less or equal to than \$1 million
    - Return is due 5/10
- Quarterly Taxpayers
  - Taxable Gross Receipts greater than \$1 million
    - Return Due Dates:
      - 1<sup>st</sup> quarter: 5/10
      - 2<sup>nd</sup> quarter: 8/10
      - 3<sup>rd</sup> quarter: 11/10
      - 4<sup>th</sup> quarter: 2/10

**Save  
the  
Date**

# *Annual Minimum Tax*

- All taxpayers pay an annual minimum tax (AMT)
- Tax for the first \$1 million of taxable gross receipts in a calendar year.
- Paid with annual taxpayer's annual return
- Paid with quarterly taxpayer's 1<sup>st</sup> quarter return
- Prior to January 1, 2014, the AMT was \$150 for all taxpayers.
- For tax periods beginning January 1, 2014 and thereafter, the AMT is a tiered structure detailed on the next slide.

# *Annual Minimum Tax Tier*



<u>Taxable Gross Receipts</u>	<u>Annual Minimum Tax</u>
\$1 Million or less	\$150
More than \$1 Million but less than or equal to \$2 Million	\$800
More than \$2 Million but less than or equal to \$4 Million	\$2,100
More than \$4 Million	\$2,600



# How much do I pay?



## Less than \$1 million

- ABC, LLC (ABC) is an annual taxpayer.
- ABC reports taxable gross receipts of \$900,000 for the 2013 calendar year.
- ABC will pay an annual minimum tax for 2014 of **\$150** with the 2013 annual return.



## Over \$1 million

- DEF Corp (DEF) is a quarterly taxpayer.
- DEF reported cumulative taxable gross receipts of \$3 million for the 2013 calendar year.
- DEF reports \$1,300,000 in taxable gross receipts for the 1<sup>st</sup> quarter of 2014.
- **Total Tax Due-\$2880**
  - 1,300,000-1,000,000
  - \$300,000\*.0026
  - \$780 + \$2100 (AMT)

# *Can I file estimated returns?*

## **Rule Estimates**

Taxpayer estimates their current calendar quarter receipts and then reconciles prior to the due date of the next quarter's return.

## **Statutory Estimates**

Taxpayer estimates their receipts on the 1<sup>st</sup>-3<sup>rd</sup> quarterly returns for a calendar year and then reconciles on the 4<sup>th</sup> quarter return.

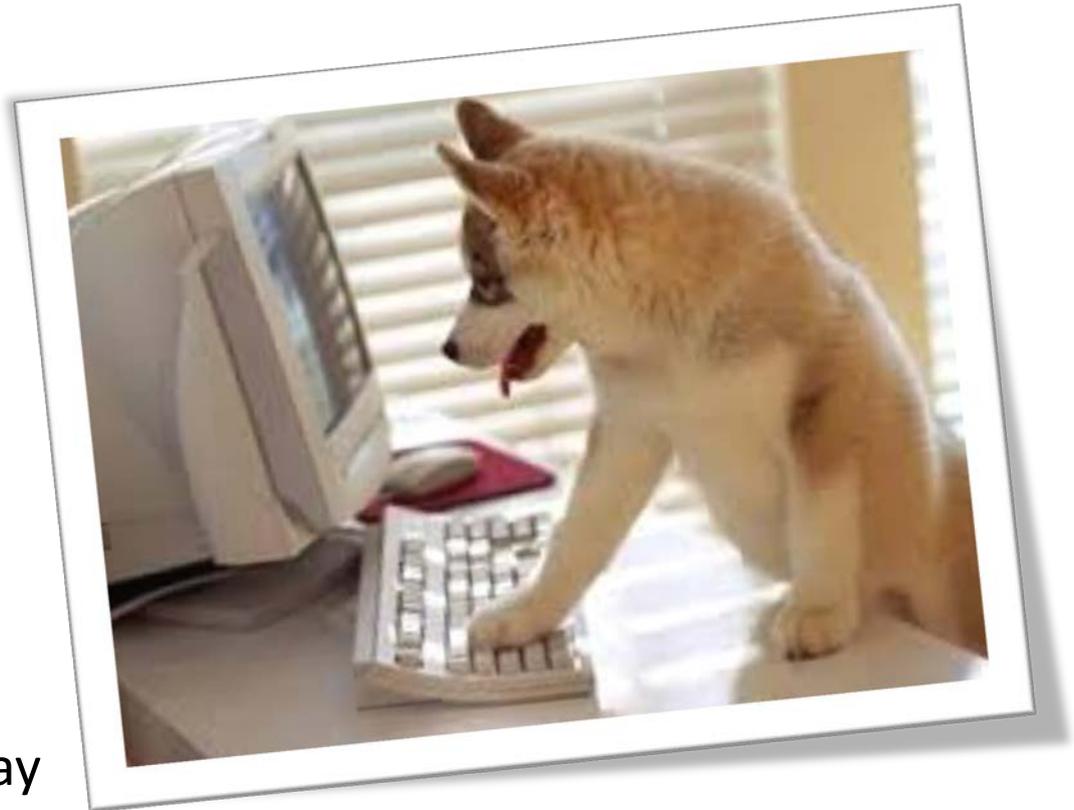


# *Where do I file?*



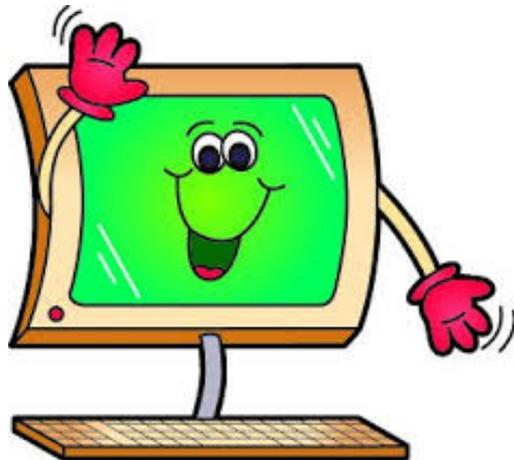
# *Where do I file?*

- Electronic filing and payments are required.
- Quarterly taxpayers are required to file and pay via the Ohio Business Gateway (OBG).
- Annual taxpayers have the option to file and pay via the Ohio Business Gateway or through the Department's automated tele-file system.



# OBG's New Look

- Taxpayers now choose the type of return they are filing rather than only have a “CAT Filing” option.
- Separate options for:
  - Quarterly
  - Annual
  - Rule Reconciliation (True-Up)
  - Statutory Reconciliation



## ▣ Ohio Taxation – Commercial Activity Tax

➔ [CAT Quarterly \(Including Estimates\)](#)

➔ [CAT Annual](#)

➔ [CAT Rule Reconciliation \(True-Up\)](#)

➔ [CAT Statutory Reconciliation](#)

➔ [CAT Payment](#)

➔ [CAT Refund Claim](#)

➔ [CAT Cancel Account](#)

➔ [CAT Contact Info Change](#)

➔ [CAT Filing Frequency Change](#)

➔ [CAT Maintain Corporate Structure](#)

# OBG's New Look

Ohio.gov

WELCOME TO THE  
STATE OF OHIO

Home

Ohio Commercial Activity Tax - Annual Return



File a New Return



Amend a Return



eFiling History

## Incomplete Transactions

This list shows all transactions created, but not filed with the Department of Taxation.

- Click on Resume to review, update, or finish an existing transaction.
- Click on Delete to remove a transaction.
- The draft returns are listed in date order, with the most recent being at the top.

**No Incomplete Transactions**

# OBG's New Look

- Taxpayers are now required to input their CAT account numbers when filing returns.
- This number can be found in the follow areas:
  - Filing history on OBG
  - Database of taxpayers already registered for the CAT on tax.ohio.gov

Home

Ohio Commercial Activity Tax - Annual Return

- 1 Select Filing Period
- 2 Enter Information
- 3 Review and File
- 4 Confirmation

\* All fields are required

Account Number

Filing Year  YYYY

Type of Filing  Original  Amended



# Submitting Returns

- Enter a **VALID** email address
- Review return information
- Check acknowledgement box
- Select File to process the return
- Selected Save & Exit to save the return in Transactions in Progress

The screenshot shows the Ohio Commercial Activity Tax Annual Return web form. The header includes the Ohio.gov logo and the text "WELCOME TO THE STATE OF OHIO". The navigation bar contains "Home", "Thursday, May 18, 2016", and "Help". The main title is "Ohio Commercial Activity Tax - Annual Return".

The form is divided into several sections:

- Select Filing Period:** Account Number [REDACTED]
- Enter Information:** Filing Period: 2015 Original
- Review and File:** A table showing tax calculations:

Taxable Gross Receipts	\$130,000.00
Less Exclusion	\$1,300,000.00
Net Taxable Gross Receipts	\$0.00
Tax Due	\$0.00
2014 Annual Minimum Tax	\$750.00
Less Amount Previously Paid	\$0.00
<b>Total Tax Due</b>	<b>\$750.00</b>
- Confirmation:** Email Address (required): johnny.doe@gmail.com

A "Tip" box on the right provides additional information:

- All filers are required to file a return for the current year from last return - Taxpayers with \$750.00 or less in taxable gross receipts are entitled to a credit of the AOT prepaid for the prior calendar year.
- Confirmation Statement**
- Before submitting the return please check the box to acknowledge the confirmation statement.
- Navigation**
- The back button on the page (not in your browser), will return you to the previous page.
- Use the file button to proceed to the confirmation page.
- The Save and Exit button will save the data entered and exit to the 2015 home page.

At the bottom, there is a checkbox for "Check to confirm the statement below before submitting the return (required)" and a declaration: "I declare under penalties of perjury that this return or claim (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return and report." Below this are buttons for "Back", "File", and "Save & Exit".

# Submitting Returns

The screenshot shows a web browser window with the Ohio Department of Taxation website. The page title is "Tax - Annual Return". A green status icon indicates that the return is being processed. The text states: "Your return is being processed: Date and Time of Filing 05/19/2016 10:41 AM". It acknowledges that the CAT Annual Tax Return for the period stated below has been filed with the Ohio Department of Taxation. Once processed, an email with a Filing Confirmation Number will be sent to the email address below: [justin.smith@tax.state.oh.us](mailto:justin.smith@tax.state.oh.us). If this address is not valid, you can view processed returns on eFiling History. The account number is redacted with a black box. The filing period is 2015, Original. The total balance due as of 05/19/2016 is \$0.00. There are buttons for "Return to Main Menu" and "Exit". A "Tips" sidebar on the right provides information on processing history, payments, and refunds.

WELCOME TO THE STATE OF OHIO

Tax - Annual Return

Your return is being processed: Date and Time of Filing 05/19/2016 10:41 AM

You acknowledge that your CAT Annual Tax Return for the period stated below has been filed with the Ohio Department of Taxation. Once processed, an email with a Filing Confirmation Number will be sent to the email address below:

[justin.smith@tax.state.oh.us](mailto:justin.smith@tax.state.oh.us)

If this address is not valid, you can view processed returns on eFiling History.

Account Number [REDACTED]

Filing Period 2015 Original

Total Balance Due as of 05/19/2016 \* \$0.00

Return to Main Menu Exit

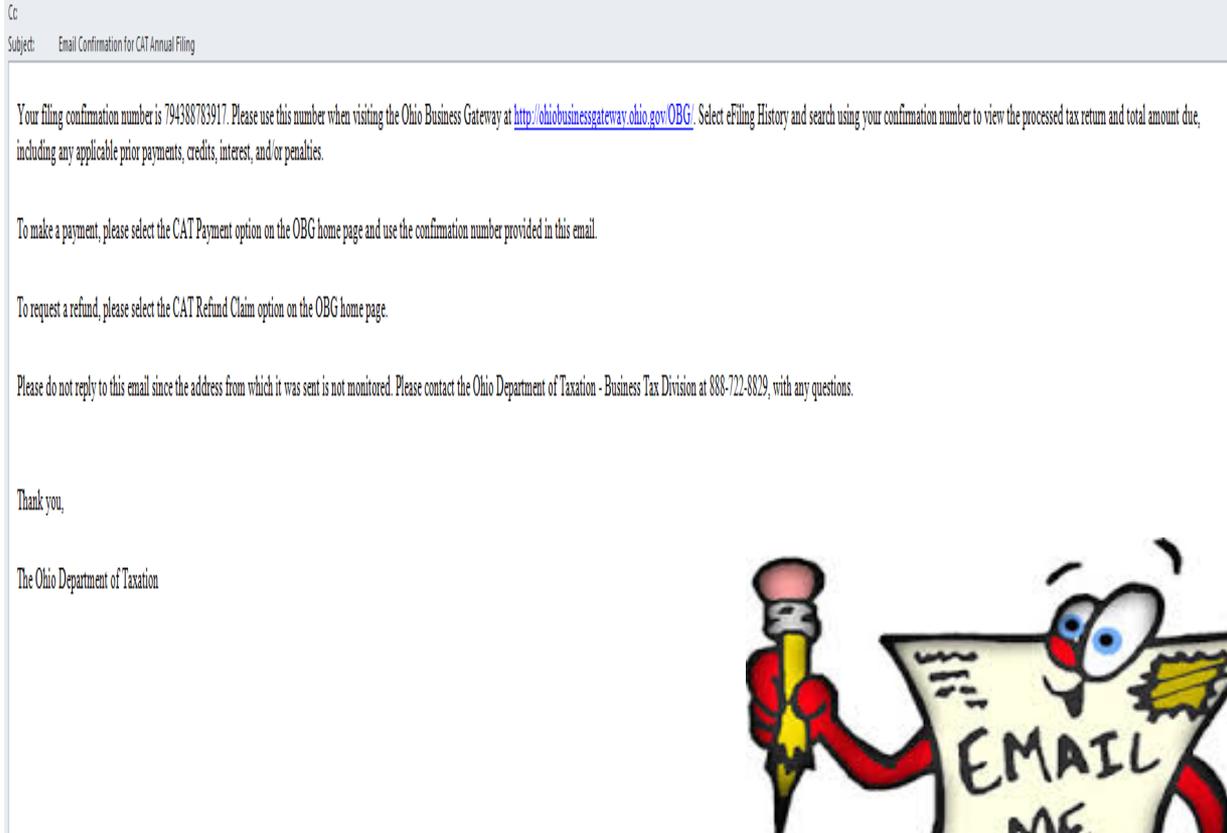
**Tips**

- Once processing history and payments, etc.
- Payments**
- For returns where the payment the total bill changed to however, you that exceed
- For returns where make a payment processed, the confirm email to send
- Refunds**
- To request sign into OIT confirm "Refund"
- To request website at to REP and in Ohio Depart Division, P-1 43216-6158

- Batch processing when high volume traffic occurs
- Balance due will not reflect on confirmation that return is being processed.



# Submitting Returns



- Email will be sent to confirm filing of return
- Confirmation number is needed to make a payment using the “CAT Payment” option.



# *Return History*



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## *History*

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Ohio Department of Taxation

Company ID: \*\*\*\*0003

[View eFiling History](#)

Returns filed using OBG's new look will be located in the eFiling History.



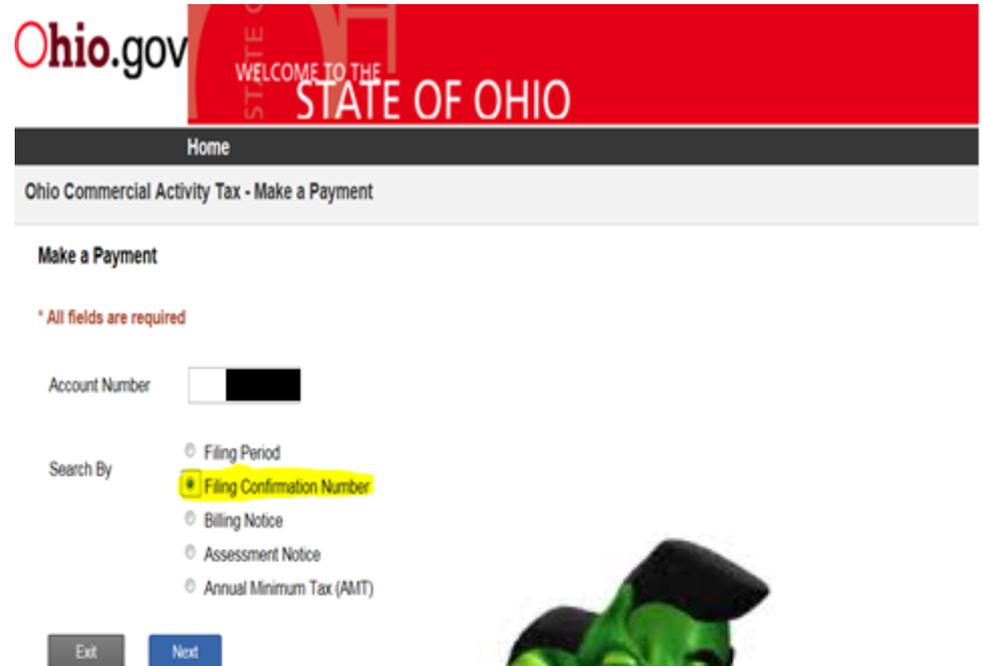
# Making a Payment

You will need the CAT account number

**And**

One of the following:

- Filing Period
- Filing Confirmation #
- Billing Notice #
- Assessment Notice #
- ❖ Annual Minimum Tax (AMT) is only used for new taxpayers.



Ohio.gov WELCOME TO THE STATE OF OHIO

Home

Ohio Commercial Activity Tax - Make a Payment

**Make a Payment**

\* All fields are required

Account Number

Search By

- Filing Period
- Filing Confirmation Number
- Billing Notice
- Assessment Notice
- Annual Minimum Tax (AMT)

Exit Next



# Making a Payment

Ohio.gov

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STATE OF OHIO

Home

Ohio Commercial Activity Tax - Make a Payment

Make a Payment - Search by Filing Confirmation Number

\* All fields are required

Account Number



Filing Confirmation Number

794388783917

Search

Back



# Making a Payment

Ohio.gov

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STATE OF OHIO

Home

Ohio Commercial Activity Tax - Make a Payment

## Make a Payment - Search by Filing Confirmation Number

\* All fields are required

Account Number	<input type="text" value=""/>
Filing Confirmation Number	794388783917
Filing Period	01/01/2015 - 12/31/2015
Amount Due	\$150.12
Payment Amount	\$ <input type="text" value="150.12"/>

If payment is made later than 24 hours from the date and time of filing, the balance may have changed to include any applicable interest, penalties, or partial payments.

Back

Send To Checkout



# Submitting a Refund Claim



Taxpayers now have the option to request refunds via OBG.

- Ohio Taxation – Commercial Activity Tax
  - ➔ [CAT Quarterly \(Including Estimates\)](#)
  - ➔ [CAT Annual](#)
  - ➔ [CAT Rule Reconciliation \(True-Up\)](#)
  - ➔ [CAT Statutory Reconciliation](#)
  - ➔ [CAT Payment](#)
  - ➔ [CAT Refund Claim](#)
  - ➔ [CAT Cancel Account](#)
  - ➔ [CAT Contact Info Change](#)
  - ➔ [CAT Filing Frequency Change](#)
  - ➔ [CAT Maintain Corporate Structure](#)

# Administrative Rules At a Glance

- **5703-29-02 – Application of common owners and joint ventures**
  - Describes how to determine common ownership and provides some guidance on group filing.
- **5703-29-03 – Sampling**
  - Prescribes sampling methods that the Department may use in lieu of a complete review of records.
- **5703-29-04 – Excluded Person – consolidated elected and combined taxpayer groups**
  - Provides guidance on when a person or group of persons is or is not considered an excluded person with respect to having more or less than \$150,000 in taxable gross receipts.
- **5703-29-05 – Commercial activity tax taxpayers must file and pay electronically**
  - Mandates electronic filing and payment for CAT taxpayers.
- **5703-29-06 – Transfers of Property Into the State**
  - Provides the circumstances under which the value of property transferred into the state within one year of receipt must be considered a taxable gross receipt pursuant to R.C. 5751.013.
- **5703-29-07 – Qualified foreign trade zone area**
  - Inapplicable after December 31, 2006
- **5703-29-08 – Request for member of a combined taxpayer group to file separately**
  - Provides the procedure a combined group member must follow to file as a separate taxpayer and not as part of the combined group.
- **5703-29-09 – Option of quarterly taxpayers to make estimated payments**
  - Provides an alternative estimation procedure for quarterly taxpayers wishing to estimate their tax liability.



# Administrative Rules At a Glance



- **5703-29-10 – Nonprofit organizations and contributions.**
  - Defines “nonprofit organization” for purposes of determining whether a person qualifies as an excluded person.
- **5703-29-11 – Commercial activity tax credit for unused franchise tax net operating losses**
  - Describes process for claiming the one-time franchise tax NOL credit for CAT.
- **5703-29-12 – Temporary motor fuel exemptions from the commercial activity tax.**
  - Inapplicable for periods after July 1, 2007.
- **5703-29-13 – Commercial activity tax definition of agent**
  - Defines “agent” for purposes of the exclusion from taxable gross receipts.
- **5703-29-14 – Commercial activity tax definition of cash discounts**
  - Defines “cash discount” for purposes of the exclusion from taxable gross receipts.
- **5703-29-15 – Highway transportation services – bright-line presence and situsing**
  - Provides for the application of CAT’s bright-line presence factors to such service providers.
- **5703-29-16 – Qualified distribution center**
  - Provides clarification, guidance, and additional requirements for those seeking certification as a qualified distribution center.
- **5703-29-17 – Situsing of certain services for purposes of the commercial activity tax**
  - Provides additional guidance and industry-specific rules for situsing receipts from certain services.
- **5703-29-18 – Record retention requirements**
  - Establishes the record retention policy for CAT taxpayers.
- **5703-29-19 – Changes in ownership**
  - Provides guidance and procedures for addressing changes in ownership and group structures as they relate to taxpayer groups.
- **5703-29-20 – Situsing receipts from periodic payments for mobile property**
  - Provides situsing method for lease or other recurring payments from mobile property.
- **5703-29-21 – Pre-income tax trusts, explained with revocation procedures**
  - Describes pre-income tax trusts, qualified pre-income tax trusts, and how to properly revoke an election to be a qualified pre-income tax trust.
- **5703-29-22 – Explanation of the commercial activity tax credits**
  - Describes CAT credits and procedures for claiming credits.

# *Information Releases*



- Offered to provide additional guidance or education to taxpayers.
- There are many Information Releases available including:
  - **CAT 2005-02** – Nexus Standards
  - **CAT 2005-08** – IRC Section 1221 and 1231 Assets Excluded from “Gross Receipts”
  - **CAT 2005-16** – Examples of “Common Owners” and Joint Ventures
  - **CAT 2005-17** – “Taxable Gross Receipt” Defined
  - **CAT 2007-01** – Rule Estimation and Statutory Estimation Procedures, Compared
  - **CAT 2008-01** – Voluntary Disclosure Agreements
  - **CAT 2013-04/ PAT 2013-01** – New CAT Exclusion and Replacement Tax

**A full list can be found on [tax.ohio.gov](http://tax.ohio.gov)**

# Supreme Court Decisions



- *Ohio Grocers Assoc. v. Wilkins* - CAT is an excise on the privilege of doing business in Ohio and not a transactional excise on the sales of food. As such, Ohio's constitutional prohibition against excise taxes on sales of food consumed off of the premises where sold does not apply.
  - OH Sup. Ct. recognizes that CAT is not a transactional excise. In this case, it is measured by a factor that includes receipts from the sales of food, but is not a tax on those transactions.



## *Supreme Court Decisions*

- *Beaver Excavating Company v. Testa* –
  - CAT is a tax on the privilege of doing business that, in as far as the tax is measured by receipts from sales of motor fuel, ‘relates to’ the sale of motor fuel used to propel vehicles on highways.
  - Ohio’s constitutional prohibition against the use of revenue from taxes that relate to motor fuel used to propel vehicles on public highways for any non-highway purpose is implicated.



# Questions?

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