



To: All County Auditors
From: Ohio Department of Taxation – Revenue Accounting
Date: August 13, 2014
RE: Instructions for the August 20, 2014 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, 2014 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 2014 settlement.

NEW

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)). Settlement checks 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 any longer

The following forms are required to be completed and submitted to the Ohio Department of Taxation for the August 20, 2014 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.

We are also requesting a breakdown of the Estate Tax Distributions made to each local entity for the current (August 2014) 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 THE FORMS AS SOON AS POSSIBLE,
BUT NO LATER THAN OCTOBER 30, 2014**

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.

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.

New

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.

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

CALCULATING THE TREASURER'S FEE:

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 100% fee total in the appropriate column (100% expense) on line #5a.
- 5.) Multiply the calculated 100% Treasurer's fee by 20% to arrive at the state share of the fee and report in the appropriate column (State Share column) on line #5a.

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 100% fee total in the appropriate column (100% expense) on line #5b.
- 4.) Multiply the calculated 100% Auditor's fee by 20% to arrive at the state share of the fee and report in the appropriate column (State Share column) on line #5b.

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

The Department of Taxation will reimburse **20%** of the total salary that 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 2014).** Complete the enclosed County Auditor Salary Worksheet to indicate the County Auditor's salary expense. Report the auditor's salary expense in the State Share column on line #5c on the ET 33 (B). Most counties report six months at each settlement period.

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

The Department of Taxation will reimburse **20%** of the allowable 14.00% of the gross earnings of the County Auditor. **The PERS expenses submitted should include those paid since the last settlement (February 2014).** Complete the enclosed County Auditor PERS Worksheet to indicate the PERS expense. Report the auditor's PERS expense in the State Share column on line #5d on the ET 33 (B). Most counties report six months at each settlement period.

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

The Department of Taxation will reimburse 100% of any collections made on a county's behalf by the State Attorney General's office for dates of death before June 29, 2004 (report on line #5e). For dates of death on or after June 29, 2004, local governments will share in the State Attorney General's fees taken to make collection on certified debt in an 80/20 split (report on line #5f). 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 #5e, and original or duplicates of the tax bills indicating the delinquent amount must be included.

Please call Johnathan Heckert at 614-752-7409 with questions regarding this section or if any other types of fees and expenses need to be taken on line #5e and #5f.

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 State Share column for line #5a-f. Report this figure on line #6.

S.B. 189, effective June 29, 2004, amends Sections 5731.47 and 5731.48 of the Revised Code to require both local governments and the state to share in the costs of administering the Ohio Estate Tax. The expenses incurred in administering the estate tax are shared by the local governments and the state in proportion to their respective share of gross estate tax revenues received. Consequently, local governments pay 80% of the fees and expenses incurred, with the state paying the remaining 20% of expenses.

AMOUNT DUE STATE

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

SUMMARY OF SETTLEMENT AND CERTIFICATION OF ESTATE AND INHERITANCE TAX COLLECTIONS
Through settlement date of August 20, 2014

FROM: The Auditor of _____ County, Ohio
Prepared By: _____ Phone No: _____
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% = \$ _____	X 36% = \$ _____	X 30% = \$ _____	X 20% = \$ _____
4. TOTAL NET COLLECTIONS (Combine net collection totals at 50%, 36%, 30% and 20%)	\$ _____			
5. Fees and Expenses:	100% EXPENSE			
a) County Treasurer's Fee, Sec. 321.27 ORC*	\$ _____			
b) County Auditor's Fee, Sec 319.54 (E) ORC*	\$ _____			
c) County Auditor's Salary	(reported from the Auditor's Salary Worksheet)			
d) County Auditor's PERS	(reported from the PERS Worksheet)			
e) Other Fees and Expenses: (Those that are not subject to the 80/20% adjustment; the State will pay 100% of expense)	\$ _____			
f) Other Fees and Expenses: (Those that are subject to the 80/20% adjustment; the State will pay 20% of expense)	\$ _____			
6. Total STATE SHARE of Fees and Expenses (Total the State Share column for line #5a through #5f):	\$ _____			
7. Amount due to the state (Subtract line #6 from line #4):	\$ _____			

Tax Commissioner's Certification

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.
Joseph W. Testa, Tax Commissioner

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

**AUGUST 2014 SETTLEMENT
PERS EXPENSE WORKSHEET
FOR PERS EXPENSES PAID
SINCE FEBRUARY 2014 SETTLEMENT**

MONTH/YEAR	PERS EXPENSES
MONTH _____/YEAR _____	\$ _____
SUBTOTAL	\$ _____
SUBTOTAL X 20% = STATE PORTION OF THE PERS EXPENSES (to be reported on the ET 33 (B), line 5d)	\$ _____

**AUGUST 2014 SETTLEMENT
AUDITOR SALARY EXPENSE WORKSHEET
FOR AUDITOR SALARY EXPENSES PAID
SINCE FEBRUARY 2014 SETTLEMENT**

MONTH/YEAR	AUDITOR SALARY EXPENSES
MONTH _____/YEAR _____	\$ _____
SUBTOTAL	\$ _____
SUBTOTAL X 20% = STATE PORTION OF THE AUDITOR SALARY EXPENSES (to be reported on the ET 33 (B), line 5c)	\$ _____

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 <small>(both COUNTY and SUBDIVISION)</small>	(a)	(b)	(c)	(d)
	Gross Estate Tax Collections (advancements included)	Refunds	Local Share of Expenses Withheld from Distribution	Net Estate Tax Distribution

