

DEALERS IN INTANGIBLES TAX

Dealers

Prior to 1986, Ohio law provided for the taxation of five classes of intangible property: investments, credits, money, other intangible property, and shares in and capital employed by dealers in intangibles. Since 1986, only the last of the five has been taxable.

In calendar year 1998, with only the dealers in intangibles subject to the tax, a total of \$15,657,646 was assessed for collection, with 5/8 going to local governments and 3/8 going to the state.

TAX BASE (R.C. 5725.13, 5725.14, 5725.15):

The tax base for dealers in intangibles is either:

1. Shares of stock of incorporated dealers in intangibles and unincorporated dealers in intangibles with capital stock divided into shares; or
2. Capital employed in Ohio by an unincorporated dealer in intangibles with capital stock not divided into shares.

For dealers in intangibles with offices in more than one state, the tax base is allocated to Ohio based on gross receipts from offices in Ohio.

RATES (R.C. 5707.03):

Rate on fair value of shares or capital employed is eight mills.

EXEMPTIONS (R.C. 5709.04, 5725.01, 5725.26):

Excluded from definition of dealer in intangibles:

1. Institutions used exclusively for charitable purposes;
2. Insurance companies;
3. Financial institutions

Shares owned by the following are excluded from base:

1. Financial institutions;
2. Domestic insurance companies;
3. Institutions used exclusively for charitable purposes;
4. Other dealers in intangibles

TAXPAYER (R.C. 5725.01):

Firms having an office in Ohio and engaged in: (1) lending money; (2) discounting, buying, or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness; or (3) buying or selling bonds, stocks, or other investment securities.

FILING AND PAYMENT DATES (R.C. 5725.06, 5725.10, 5725.14, 5725.16, 5725.22):

Second Monday in March: Returns must be filed by this date unless a time extension (not to exceed 30 days) is allowed by the Tax Commissioner.

First Monday in May: Tax Commissioner certifies tax base by county to State Treasurer.

State Treasurer issues tax bill within 20 days of certification by Tax Commissioner with payment due 20 to 30 days from the date the bill is mailed.

DISPOSITION OF REVENUE (R.C. 5725.15, 5725.24):

1. Three mills of receipts credited to state General Revenue Fund.
2. Five mills of receipts distributed to the county where the firm's capital was employed (determined on the basis of gross receipts). Revenue is placed in each county's undivided local government fund and distributed among the local subdivisions by the county budget commission.

ADMINISTRATION (R.C. 5725.14):

Returns are filed with the Tax Commissioner who determines the taxable values. Taxes are collected by the State Treasurer.

OHIO REVISED CODE CITATIONS:

Chapters 5707, 5709, and 5725

Table 49
Dealers in Intangibles Taxes Levied, Calendar Years 1994-1998

	1994	1995	1996	1997	1998
Local Share	\$8,031,551	\$8,603,462	\$8,974,774	\$10,336,787	\$9,786,028
State Share	<u>4,818,933</u>	<u>5,162,080</u>	<u>5,384,868</u>	<u>6,202,377</u>	<u>5,871,618</u>
Total Assessed	\$12,850,484	\$13,765,542	\$14,359,642	\$16,539,164	\$15,657,646

Table 50
County Share of Intangible Property Taxes
Assessed on Dealers in Intangibles, Calendar Year 1998

County	County Share of Assessed Taxes	County	County Share of Assessed Taxes	County	County Share of Assessed Taxes
Adams	0	Hardin	\$1,370	Pickaway	\$17,431
Allen	\$44,565	Harrison	0	Pike	4
Ashland	2,123	Henry	0	Portage	18,907
Ashtabula	4,424	Highland	18	Preble	344
Athens	7,157	Hocking	85	Putnam	0
Auglaize	17,129	Holmes	0	Richland	64,808
Belmont	2,015	Huron	2,290	Ross	8,202
Brown	1,273	Jackson	1,980	Sandusky	8,060
Butler	32,465	Jefferson	7,392	Scioto	5,230
Carroll	1,075	Knox	4,163	Seneca	7,273
Champaign	0	Lake	125,232	Shelby	10,645
Clark	52,074	Lawrence	1,236	Stark	257,060
Clermont	37,258	Licking	34,882	Summit	297,308
Clinton	0	Logan	2,740	Trumbull	34,517
Columbiana	34,295	Lorain	78,831	Tuscarawas	17,178
Coshocton	2,874	Lucas	240,538	Union	6,062
Crawford	1,004	Madison	1,171	Van Wert	3,534
Cuyahoga	1,925,523	Mahoning	228,515	Vinton	0
Darke	4,601	Marion	13,227	Warren	375,866
Defiance	10,253	Medina	14,619	Washington	27,334
Delaware	13,240	Meigs	0	Wayne	46,491
Erie	17,217	Mercer	3,122	Williams	1,700
Fairfield	35,365	Miami	8,232	Wood	1,942
Fayette	2,792	Monroe	0	Wyandot	<u>421</u>
Franklin	2,883,150	Montgomery	757,702		
Fulton	4,547	Morgan	0	Total Local	
Gallia	6,443	Morrow	2,097	Revenue (5 mills)	\$9,786,028
Geauga	3,540	Muskingum	29,129		
Greene	18,168	Noble	0	State General	
Guernsey	4,366	Ottawa	2,147	Revenue (3 mills)	<u>5,871,618</u>
Hamilton	1,800,445	Paulding	0		
Hancock	45,614	Perry	0	TOTAL	\$15,657,646