

DEALERS IN INTANGIBLES TAX

Ohio law provides for the taxation of shares in and capital employed by dealers in intangibles. In calendar year 2001, the dealers in intangibles were assessed for collecting a total of \$20.1 million with \$12.6 million going to local governments and \$7.5 million 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 24
Dealers in Intangibles Taxes Levied, Calendar Years 1997-2001

Distribution	1997	1998	1999	2000	2001
Local Share	\$10,336,787	\$9,786,028	\$10,290,306	\$12,238,408	\$12,575,695
State Share	<u>6,202,377</u>	<u>5,871,618</u>	<u>6,174,486</u>	<u>7,343,049</u>	<u>7,545,420</u>
Total Assessed	\$16,539,164	\$15,657,646	\$16,464,792	\$19,581,457	\$20,121,115

Table 25
County Share of Intangible Property Taxes
Assessed on Dealers in Intangibles, Calendar Year 2001

County	County Share of Assessed Taxes	County	County Share of Assessed Taxes	County	County Share of Assessed Taxes
Adams	1,581	Hardin	179	Pickaway	897
Allen	10,684	Harrison	10,102	Pike	373
Ashland	270	Henry	295	Portage	7,875
Ashtabula	1,879	Highland	846	Preble	0
Athens	3,332	Hocking	714	Putnam	0
Auglaize	9,849	Holmes	0	Richland	16,507
Belmont	708	Huron	654	Ross	4,114
Brown	6	Jackson	7,606	Sandusky	0
Butler	24,595	Jefferson	4,974	Scioto	33,111
Carroll	46	Knox	717	Seneca	893
Champaign	101	Lake	46,888	Shelby	4,970
Clark	14,958	Lawrence	452	Stark	454,661
Clermont	16,599	Licking	8,186	Summit	225,433
Clinton	4,938	Logan	772	Trumbull	28,145
Columbiana	9,534	Lorain	126,745	Tuscarawas	638
Coshocton	417	Lucas	286,829	Union	1,323
Crawford	3,504	Madison	1,266	Van Wert	77
Cuyahoga	2,262,628	Mahoning	472,664	Vinton	0
Darke	3,052	Marion	1,637	Warren	388,465
Defiance	21	Medina	12,072	Washington	3,633
Delaware	15,519	Meigs	89	Wayne	8,465
Erie	8,340	Mercer	2,371	Williams	2,400
Fairfield	14,659	Miami	37,604	Wood	7,618
Fayette	3,111	Monroe	0	Wyandot	<u>461</u>
Franklin	4,453,210	Montgomery	680,004	Total Local Revenue	
Fulton	3,719	Morgan	0	(5 mills)	\$12,575,695
Gallia	10,544	Morrow	544	State General	
Geauga	0	Muskingum	6,370	Revenue (3 mills)	<u>\$7,545,420</u>
Greene	11,927	Noble	0	TOTAL	\$20,121,115
Guernsey	92	Ottawa	43		
Hamilton	2,759,328	Paulding	0		
Hancock	25,861	Perry	0		