

DEALERS IN INTANGIBLES TAX

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 1999, with only the dealers in intangibles subject to the tax, a total of \$16,464,792 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 1995-1999

Distribution	1995	1996	1997	1998	1999
Local Share	\$8,603,462	\$8,974,774	\$10,336,787	\$9,786,028	\$10,290,306
State Share	<u>5,162,080</u>	<u>5,384,868</u>	<u>6,202,377</u>	<u>5,871,618</u>	<u>6,174,486</u>
Total Assessed	\$13,765,542	\$14,359,642	\$16,539,164	\$15,657,646	\$16,464,792

Table 50
County Share of Intangible Property Taxes
Assessed on Dealers in Intangibles, Calendar Year 1999

County	County Share of Assessed Taxes	County	County Share of Assessed Taxes	County	County Share of Assessed Taxes
Adams	\$0	Hardin	\$520	Pickaway	\$15,201
Allen	24,396	Harrison	0	Pike	1
Ashland	1,608	Henry	0	Portage	12,781
Ashtabula	5,641	Highland	245	Preble	1,506
Athens	9,913	Hocking	53	Putnam	0
Auglaize	11,159	Holmes	0	Richland	41,623
Belmont	7,834	Huron	433	Ross	10,527
Brown	483	Jackson	1,602	Sandusky	2,802
Butler	25,329	Jefferson	11,475	Scioto	5,551
Carroll	408	Knox	3,834	Seneca	2,706
Champaign	0	Lake	123,644	Shelby	6,147
Clark	24,536	Lawrence	361	Stark	296,946
Clermont	51,667	Licking	19,703	Summit	268,142
Clinton	578	Logan	1,838	Trumbull	48,408
Columbiana	18,662	Lorain	72,969	Tuscarawas	8,176
Coshocton	1,816	Lucas	277,355	Union	4,160
Crawford	1,006	Madison	444	Van Wert	1,342
Cuyahoga	2,710,046	Mahoning	246,591	Vinton	0
Darke	4,917	Marion	16,588	Warren	293,177
Defiance	9,047	Medina	16,913	Washington	7,510
Delaware	13,878	Meigs	0	Wayne	25,210
Erie	12,925	Mercer	2,552	Williams	1,961
Fairfield	22,979	Miami	10,725	Wood	6,032
Fayette	1,859	Monroe	0	Wyandot	464
Franklin	2,647,225	Montgomery	735,402	Total Local	
Fulton	0	Morgan	0	Revenue (5 mills)	\$10,290,306
Gallia	18,820	Morrow	795	State General	
Geauga	1,626	Muskingum	20,281	Revenue (3 mills)	<u>\$6,174,486</u>
Greene	14,152	Noble	0	TOTAL	\$16,464,792
Guernsey	4,117	Ottawa	969		
Hamilton	1,983,686	Paulding	0		
Hancock	34,324	Perry	0		