

DEALERS IN INTANGIBLES TAX

Ohio law provides for the taxation of shares in and capital employed by dealers in intangibles. In calendar year 2000, the dealers in intangibles were assessed for collecting a total of \$19,581,457 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 24
Dealers in Intangibles Taxes Levied, Calendar Years 1996-2000

Distribution	1996	1997	1998	1999	2000
Local Share	\$8,974,774	\$10,336,787	\$9,786,028	\$10,290,306	\$12,238,408
State Share	<u>5,384,868</u>	<u>6,202,377</u>	<u>5,871,618</u>	<u>6,174,486</u>	<u>7,343,049</u>
Total Assessed	\$14,359,642	\$16,539,164	\$15,657,646	\$16,464,792	\$19,581,457

Table 25
County Share of Intangible Property Taxes
Assessed on Dealers in Intangibles, Calendar Year 2000

County	County Share of Assessed Taxes	County	County Share of Assessed Taxes	County	County Share of Assessed Taxes
Adams	0	Hardin	0	Pickaway	\$15,005
Allen	\$34,375	Harrison	0	Pike	135
Ashland	118	Henry	\$760	Portage	9,677
Ashtabula	4,854	Highland	929	Preble	0
Athens	7,652	Hocking	831	Putnam	0
Auglaize	7,556	Holmes	0	Richland	40,132
Belmont	771	Huron	897	Ross	12,565
Brown	0	Jackson	101	Sandusky	0
Butler	26,965	Jefferson	13,806	Scioto	6,156
Carroll	0	Knox	1,731	Seneca	737
Champaign	0	Lake	153,754	Shelby	4,011
Clark	22,800	Lawrence	82	Stark	325,494
Clermont	52,350	Licking	16,629	Summit	288,619
Clinton	2,781	Logan	1,626	Trumbull	23,808
Columbiana	10,293	Lorain	143,343	Tuscarawas	1,483
Coshocton	1,681	Lucas	327,595	Union	3,426
Crawford	1,028	Madison	385	Van Wert	261
Cuyahoga	2,359,779	Mahoning	269,708	Vinton	0
Darke	4,287	Marion	10,717	Warren	278,134
Defiance	0	Medina	19,184	Washington	15,160
Delaware	11,815	Meigs	247	Wayne	6,723
Erie	27,746	Mercer	2,605	Williams	3,281
Fairfield	25,595	Miami	9,948	Wood	6,492
Fayette	696	Monroe	0	Wyandot	1,745
Franklin	3,878,374	Montgomery	900,185	Total Local	
Fulton	0	Morgan	0	Revenue (5 mills)	\$12,238,408
Gallia	3,706	Morrow	0	State General	
Geauga	1,958	Muskingum	15,291	Revenue (3 mills)	<u>7,343,049</u>
Greene	35,428	Noble	0	TOTAL	\$19,581,457
Guernsey	3,424	Ottawa	0		
Hamilton	2,726,994	Paulding	0		
Hancock	51,984	Perry	0		