

## RESPONSIBILITIES OF THE DEPARTMENT

The Ohio Revised Code (Section 5703.05) states that “all powers, duties and functions of the Department of Taxation are vested in and shall be performed by the Tax Commissioner. . . .” The Tax Commissioner is appointed by the Governor, is subject to confirmation by the Ohio Senate, and serves at the pleasure of the Governor.

In general, the Tax Commissioner is responsible for the administration of most state-collected taxes and several locally-collected taxes, and exercises supervision over the real property tax. Responsibilities also involve several programs that distribute revenues to local governments, including:

- motor fuel tax distributions;
- local property tax relief reimbursements;
- distributions of the Library and Local Government Support Fund, the Local Government Fund, the Local Government Revenue Assistance Fund; and
- distributions of the Local Government Property Tax Replacement Fund.

The Tax Commissioner is empowered to make “all tax assessments, valuations, findings, determinations, computations and orders,” which the department is, by law, authorized and required to make, as well as to review or re-determine and to correct previous assessments, valuations or findings. The Tax Commissioner’s other principal responsibilities are:

- promulgating rules and regulations and preparing and distributing tax returns and other reporting forms;
- auditing returns, levying assessments and penalties, and granting or denying tax refunds; and
- issuing, revoking or suspending certain licenses and permits.

In addition, the Tax Commissioner has certain specified duties. These are:

- collection of individual and school district income, horse racing, sales, corporation franchise, and excise taxes;
- operating a central collection and reporting system for the municipal income taxes on electric companies and

- telephone companies; and
- maintaining a continuous study of the practical operation of the taxation and revenue laws of the state, the probable revenue effect of possible changes in existing laws, and proposed measures providing for other forms of taxation.

To efficiently perform these numerous functions, the Tax Commissioner is authorized by law to create such divisions and sections of employees as are deemed proper. The organization chart accompanying this chapter indicates the structure of the department as of June 30, 2004. In addition to four Deputy Tax Commissioners, the department has a Chief Information Officer and a Chief Counsel. These executive staff members oversee various operating divisions whose functions are purely tax administration of the various taxes. These operating divisions include:

- Sales and use
- Operations and support
- Corporation franchise
- Individual income and school district income
- Personal property
- Public utility
- Excise
- Tax equalization
- Estate

There are also administrative service and support staff sections, including:

- Audit
- Chief counsel
- Budget and fiscal
- Employee development and training
- Human resources
- Forms
- Enforcement
- Appeals management
- Revenue accounting
- Tax appeals
- Tax analysis
- Compliance/Taxpayer services
- Legislation

- Communications
- Information services
- Bankruptcy

The department has a Problem Resolution Officer on staff who provides additional assurance to taxpayers that their rights are being protected. To further serve Ohio residents and those in other states that have a business or residential nexus with Ohio, Taxpayer Service Centers are located in eight major cities throughout Ohio, with two in Columbus and one each in Akron, Cleveland, Cincinnati, Dayton, Toledo, Youngstown, and Zanesville. There are also regional audit centers in New York City, Chicago, and Los Angeles.

At the close of Fiscal Year 2004 there were 1,322 permanent employees and 167 intermittent employees within the department. Expenditures of approximately \$115.1 million were made during the fiscal year to fulfill the department’s various functions and responsibilities. Further details on the number of employees and expenditures are shown in Tables 1 and 2.

The Department of Taxation also has an assessment role which consists of levying assessments against corporations and individuals that either file taxes incorrectly, or fail to pay or do not pay the full amount of taxes due. For holders of tangible and intangible personal property, the assessment process is used to determine taxable value of the property. Details on the additional revenue collected by these assessments is shown in the **Taxpayer Services/Compliance Division** section of the **Service and Support Divisions** chapter.

Table 1  
ODT Staff Structure & Number of Employees, Fiscal Year 2004

Unit of Organization	Number of Employees June 30, 2004	Unit of Organization	Number of Employees June 30, 2004
<b>Administrative Divisions</b>		<b>Personal Property Tax</b>	
Tax Commissioner	11	Administration	12
Human Resources	13	Processing	7
Tax Analysis	9	Public Utility Audit	6
Employee Dev. & Training	7	Property Tax Citation/Comp	6
Legislation	5	Audit & Refund	7
Communications	4		
HR/TCA Training	2	<b>Division Total</b>	<b>38</b>
Performance Excellence	5	<b>Processing Center</b>	
<b>Divisions Total</b>	<b>56</b>	Administration	4
<b>Audit</b>		Individual Tax Processing	23
Administration	7	Business Tax Processing	23
Audit Support	17	Extraction	11
South Central Region	64	Data Entry	58
Northwest Region	92	Records Center	22
Northeast Region	82	Mail Center	9
New York	9	Refund/Research	5
Chicago	10	Remittance Processing	9
Los Angeles	14		
<b>Division Total</b>	<b>295</b>	<b>Division Total</b>	<b>164</b>
<b>Budget &amp; Fiscal</b>		<b>Sales &amp; Use Tax</b>	
Budget & Fiscal	7	Administration	12
Budgeting/Accounts Payable	4	Operations	13
Facilities Management	21	Release	9
Revenue Accounting	10	Compliance	8
<b>Division Total</b>	<b>42</b>	<b>Division Total</b>	<b>42</b>
<b>Chief Counsel</b>	<b>41</b>	<b>Tax Equalization</b>	
<b>Enforcement</b>	<b>27</b>	Administration	5
<b>Estate Tax</b>	<b>11</b>	Valuation	6
<b>Excise &amp; Motor Fuel Tax</b>		Exemption & Remittance	5
Administration	4	Research & Statistics	4
Processing	14		
Fuel Tax	16	<b>Division Total</b>	<b>20</b>
Fuel Tax Audit	9	<b>Taxpayer Service Centers</b>	
Excise Tax	7	Akron	18
<b>Division Total</b>	<b>50</b>	Cincinnati	20
<b>Forms Purchasing</b>	<b>6</b>	Cleveland	22
<b>Information Services</b>		Columbus	23
Administration	11	Dayton	17
Application/Development	38	Toledo	17
Infrastructure	49	Youngstown	18
Integrated Bus. Tax & Standards	12	Zanesville	7
Project Management	8		
Customer Service	29	<b>Division Total</b>	<b>142</b>
<b>Division Total</b>	<b>147</b>	<b>Taxpayer Services/Compliance Administration</b>	<b>11</b>
<b>Operations &amp; Income Taxes Administration</b>	<b>4</b>	<b>Compliance</b>	
<b>Corporation Franchise Tax</b>		Administrative Review	10
Administration	3	Individual	16
Pass Thru Entity	7	Business	30
Corporate Franchise Tax	14		
Sales Tax Suspense	14	<b>Division Total</b>	<b>56</b>
Corp/Employer Suspense	5	<b>Taxpayer Services</b>	
<b>Division Total</b>	<b>147</b>	Individual Income	19
<b>Individual Income &amp; School District Taxes</b>		Business	20
Administration	8	E-Contact	11
Technical/Personal	20		
Suspense/Personal	9	<b>Division Total</b>	<b>50</b>
Suspense/School District	7	<b>TPS/Compliance Support</b>	<b>22</b>
1040 Edit/Clerical Support	11		
<b>Divisions Total</b>	<b>98</b>	<b>Total Permanent Employees</b>	<b>1,322</b>
		<b>Intermittent Employees in Pay Status</b>	<b>167</b>
		<b>Total Employees in Pay Status</b>	<b>1,489</b>

Table 2  
Expenditures of the Ohio  
Department of Taxation by  
Division, Fiscal Year 2004

<b>Division</b>	<b>Personal Service</b>	<b>Maintenance &amp; Equipment</b>	<b>Total</b>
Administrative	\$11,158,581	\$4,498,600	\$15,657,181
Audit	20,513,117	1,711,642	22,224,759
Enforcement	1,709,535	216,456	1,925,991
Estate Tax	881,641	40,149	921,790
Excise Tax	2,989,548	513,106	3,502,655
Income & Corporation Franchise Tax	5,128,484	404,008	5,532,493
Information Services	17,358,981	5,822,867	23,181,848
Personal Property Tax	1,956,346	215,217	2,171,563
Processing Center	11,120,415	5,655,875	16,776,290
Public Utilities Tax	550,332	18,418	568,750
Sales & Use Tax	2,417,700	562,267	2,979,968
Tax Equalization	1,609,134	66,592	1,675,725
Taxpayer Service Centers	8,911,081	810,830	9,721,911
Taxpayer Services/Compliance	7,337,691	895,778	8,233,470
<b>Total</b>	<b>\$93,642,588</b>	<b>\$21,431,806</b>	<b>\$115,074,394</b>



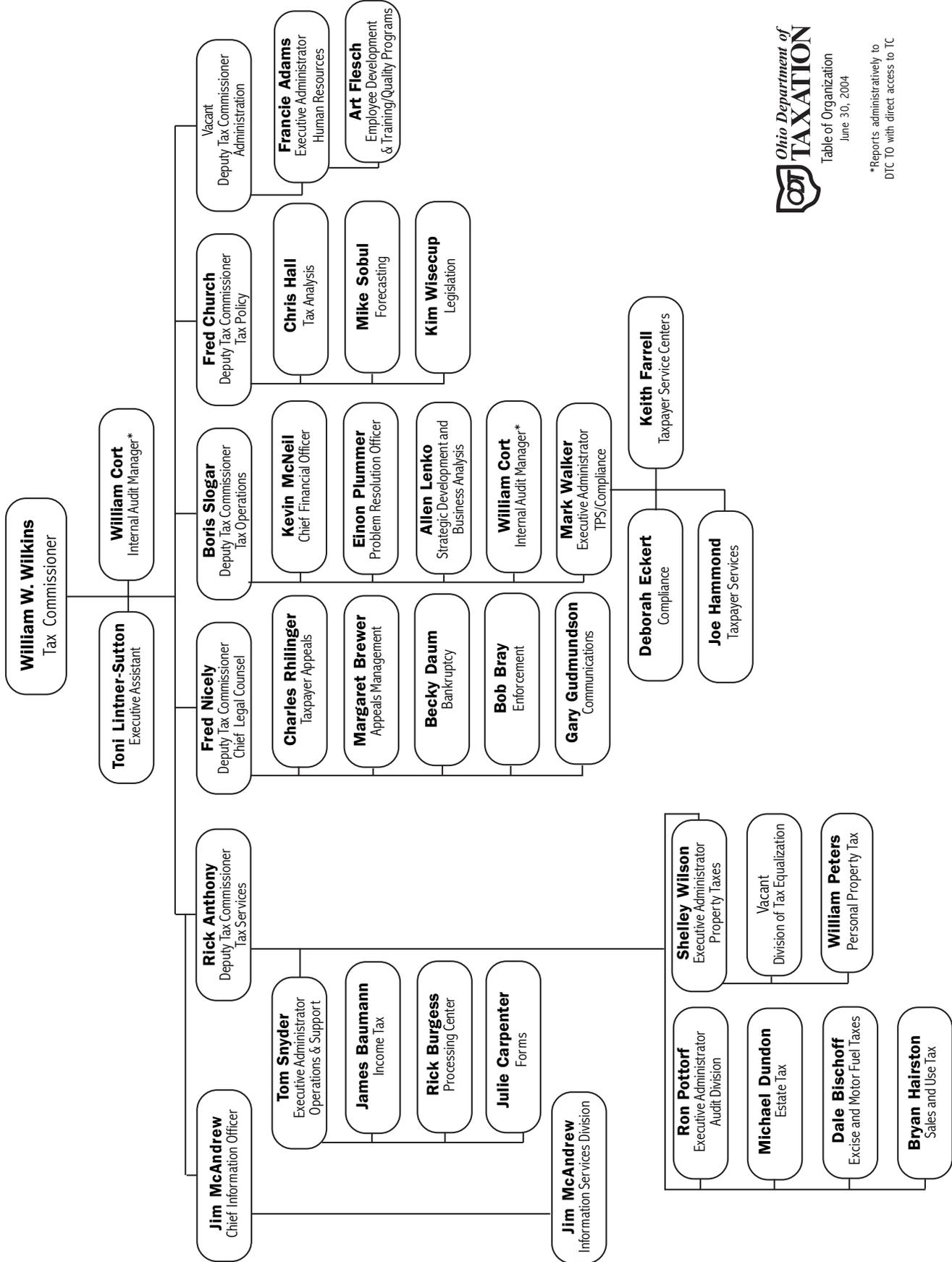


Table of Organization  
June 30, 2004

\*Reports administratively to DTC TO with direct access to TC