

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 from the Library and Local Government Support Fund, the Local Government Fund, the Local Government Revenue Assistance Fund; and
- distributions from 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 or 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:

- actual collections of individual 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, 2005. In addition to four Deputy Tax Commissioners, one of whom also serves as Chief Legal Counsel, the department also has a Chief Information Officer. 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
- Business and 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
- Taxpayer services/Compliance
- Legislation
- Communications
- Information services
- Bankruptcy

The department also has a Problem Resolution Officer on staff, assigned to the Office of Chief Counsel, 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 2005 there were 1,356 permanent employees and 232 intermittent employees within the department. Expenditures of approximately \$121.4 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 Ohio Department of Taxation also has an assessment role which consists of levying assessments against corporations and individuals which 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 are shown in the **Taxpayer Services/Compliance** section of the **Service and Support** chapter.



Table of Organization

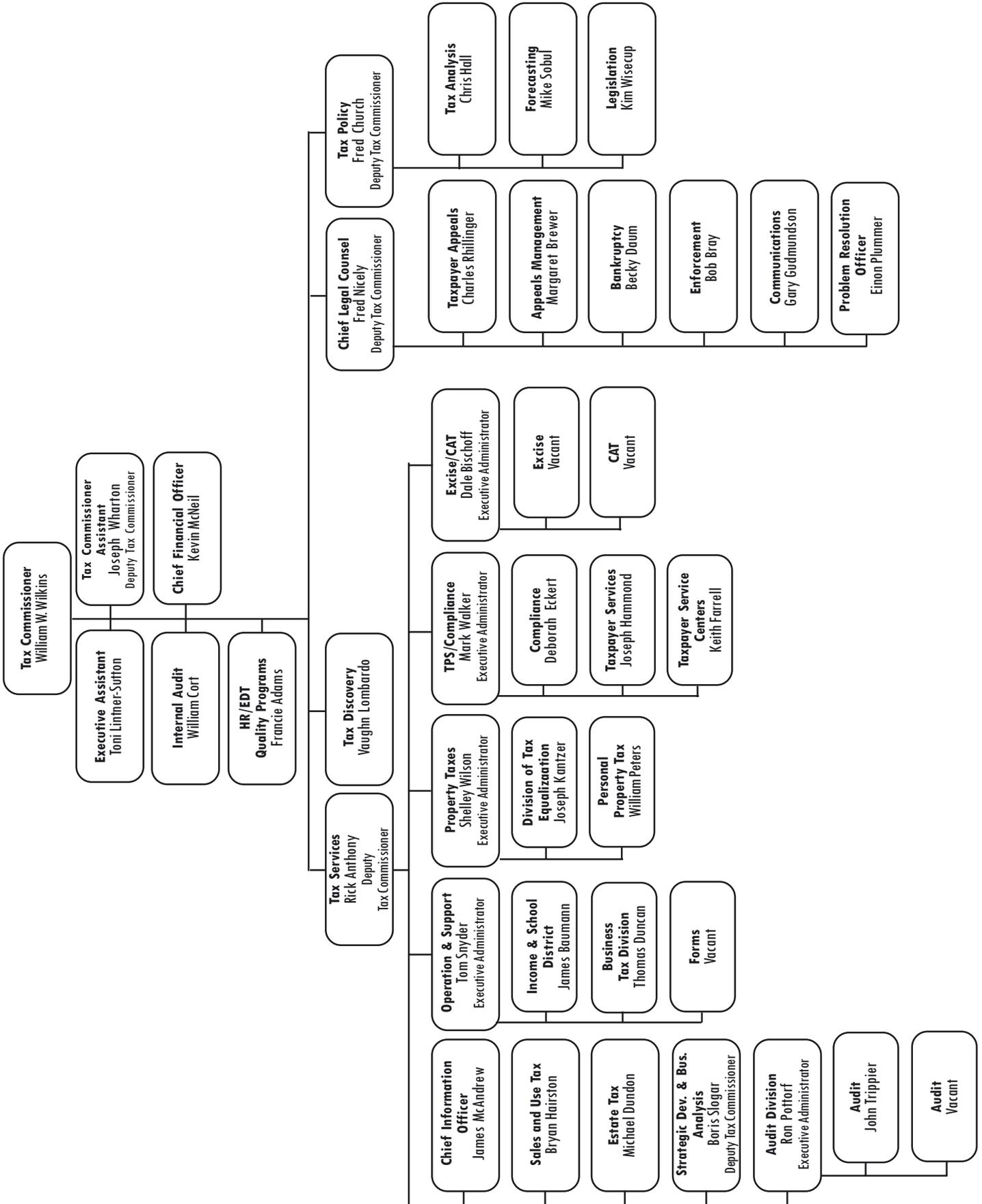




Table 1
ODT Staff Structure & Number of Employees, Fiscal Year 2005

Administrative Divisions		Business & Corporation Franchise Tax	
Tax Commissioner	11	Administration	5
Human Resources	14	Pass-Through Entity	9
Tax Analysis	9	Corporation Franchise Tax	17
Employee Dev. & Training	8	Sales Tax Suspense	14
Legislation	5	Corp./Employer Suspense	7
Communications	5	Division Total	52
HR/TCA Training	2	Individual Income & School District Income Taxes	
Performance Excellence	7	Administration	7
Divisions Total	61	Technical/Personal	15
Audit		Suspense	20
Administration	6	Withholding	11
Audit Support	18	1040 Edit/Clerical Support	9
South Central Region	67	Division Total	62
Northwest Region	96	Personal Property Tax	
Northeast Region	82	Administration	9
New York	9	Processing	7
Chicago	10	Public Utility Audit	6
Los Angeles	13	Property Tax Citation/Comp	6
Division Total	301	Audit & Refund	7
Budget & Fiscal		Division Total	35
Administration	6	Sales & Use Tax	
Accounts Payable & Purchasing	4	Administration	11
Facilities Management	18	Operations	9
Revenue Accounting	11	Release	8
Division Total	39	Compliance	15
Chief Counsel	48	Division Total	43
Commercial Activity Tax	11	Tax Discovery	11
Enforcement	28	Tax Equalization	
Estate Tax	11	Administration	5
Excise & Motor Fuel Tax		Valuation	8
Administration	3	Exemption & Remittance	7
Processing	12	Research & Statistics	4
Fuel Tax	14	Division Total	24
Fuel Tax Audit	6	Taxpayer Service Centers	
Excise Tax	6	Akron	18
Division Total	41	Cincinnati	20
Forms/Purchasing	4	Cleveland	22
Information Services		Columbus	23
Administration	11	Dayton	19
Application/Development	36	Toledo	17
Infrastructure	49	Youngstown	16
Integrated Bus. Tax & Standards	9	Zanesville	9
Project Management	8	Divisions Total	144
Customer Service	30	Taxpayer Services/Compliance Administration	8
Division Total	143	Compliance	
Internal Audit	3	Administrative Review	10
Operations & Income Taxes Administration	4	Individual	19
Operations		Business	27
Administration	3	Division Total	56
Individual Tax Processing	24	Taxpayer Services	
Business Tax Processing	19	Individual Income	17
Extraction	10	Business	33
Data Entry	41	E-Contact	12
Records Center	21	Division Total	62
Mail Center	9	TPS/Compliance Support	24
Refund/Research	5	Permanent Employees	1,356
Remittance Processing	9	Intermittent Employees	232
Division Total	141	Total Employees	1,588



Table 2
Expenditures of the Ohio
Department of Taxation by
Division, Fiscal Year 2005

Division	Personal Service	Maintenance & Equipment	Total
Administrative	\$12,164,163	\$3,887,747	\$16,051,910
Audit	21,041,288	1,828,466	22,869,754
Business & Corporation Franchise Tax	2,886,154	160,576	3,046,729
Enforcement	1,932,738	252,847	2,185,586
Estate Tax	791,691	43,257	834,948
Excise Tax	2,756,819	457,647	3,214,466
Information Services	19,401,520	5,717,230	25,118,750
Operations	10,366,365	6,436,126	16,802,491
Individual Income & School District Income Taxes	3,263,709	115,523	3,379,232
Personal Property Tax	2,932,664	242,491	3,175,155
Sales & Use Tax	2,782,219	1,463,298	4,245,517
Tax Equalization	1,484,669	60,527	1,545,196
Taxpayer Services/Compliance	17,317,749	1,613,191	18,930,940
Total	\$99,121,748	\$22,278,927	\$121,400,675

