



Resort Area Gross Receipts Tax

The resort area gross receipts tax is a business privilege tax that may be enacted by local governments that have declared themselves to be a resort area. Revenues from the tax benefit the municipality or township that enacted it. The tax was authorized by House Bill 327 of the 120th General Assembly, which became law on June 30, 1993.

The village of Kelleys Island enacted the first resort area gross receipts tax in 1993. The village and township of Put-in-Bay followed suit in 1996.

Municipalities and townships may declare themselves to be a resort area for purposes of enacting the tax if they meet a three-pronged test:

- at least 62 percent of total housing units are for seasonal use as of the last federal census;
- entertainment and recreation facilities are provided within the community that are primarily intended to provide seasonal leisure activity for nonresidents; and
- the municipality or township experiences seasonal peaks of employment and service demand because of a seasonal population increase.

If a municipality or township declares itself to be a resort area and enacts the tax as specified in the Ohio Revised Code, the tax is levied on businesses making general sales or providing certain services in the resort area.

During fiscal year 2009, the tax generated approximately \$755,500 divided among those jurisdictions that levied it, according to the rates in effect in each.

Taxpayer

(Ohio Revised Code 5739.101(B)(2))

The resort area gross receipts tax is paid by persons making general sales, or providing intrastate transportation or other services taxable under the state sales tax base, within a designated resort area.

Tax Base

(R.C. 5739.101(B)(1)(2))

The tax is levied on the privilege of doing business in the resort area. It is measured by gross receipts generated from sales made and services provided within the boundaries of a designated resort area as well as intrastate transportation to and from such an area.

Gross receipts are defined as activities, without deduction for the cost of goods sold or other expenses incurred, that contribute to the production of the gross income of a business. Gross receipts that are part of the tax base include:

- Wholesale and retail sales, including food consumed on the premises.
- Rentals and leases of watercraft, golf carts, bicycles, videos, and fishing tackle.

- Hotel and motel room rentals.
- Sales of repair and installation labor.
- Warranties, maintenance or service contracts.
- Sales of certain personal and professional services that are also subject to sales tax.

Rates

(R.C. 5739.101(B)(2))

The tax may be levied at rates of 0.5 percent, 1 percent, or 1.5 percent. Currently, only three jurisdictions have enacted the tax: the village of Kelley's Island, the village of Put-in-Bay, and the township of Put-in-Bay. The rate in each jurisdiction is 1.5 percent.

Exemptions

(R.C. 5739.101(B)(1))

There are a limited number of gross receipts that are exempt from the calculation of the tax:

- Food sold for off-premises consumption.
- Installation of improvements to residential or business real property and repair of those installed items.
- Attorney, legal or medical services.
- Charter fishing trips.
- Dockage fees.
- Campsite fees.
- Waste disposal fees.

Credits

There are no credits available against this tax.

Special Provisions

The resort area gross receipts tax is not a sales tax or a tax on transactions. It cannot be separately listed on an invoice or receipt to customers, nor can it be collected directly from customers.

Filing and Payment Dates

There are two semi-annual reporting periods for the tax. Returns are due to the Tax Commissioner approximately 30 days after the close of each reporting period:

- Jan. 1 through June 30 – returns are due July 31.
- July 1 through Dec. 31 – returns are due Jan. 31.

Disposition of Revenue

Revenue from the resort area gross receipts excise tax is distributed to the general fund of the township or municipality that levied the tax.

Administration

The Tax Commissioner administers the tax and distributes the revenue to the villages and township that have enacted it.

Ohio Revised Code Citations

R.C. 5739.101 – 5739.104.

Table

Resort Area Gross Receipts Net Tax Revenue, Fiscal Years 2005-2009				
Fiscal Year	Village of Put-in-Bay	Township of Put-in-Bay	Village of Kelley's Island	Total
2005	\$359,854	\$149,331	\$110,734	\$619,919
2006	353,634	152,261	125,231	631,126
2007	444,879	168,484	158,797	772,160
2008	436,515	194,694	116,090	747,299
2009	466,174	195,996	93,360	755,500