



Sales and Use Tax

The sales and use tax is state government's second-largest source of revenue. It also represents an important revenue source for county governments and regional transit authorities, which are authorized to levy "piggyback" taxes also administered by the Ohio Department of Taxation.

The Ohio sales and use tax dates back to 1934, when the General Assembly enacted a 3 percent sales tax effective January 1935. The use tax followed a year later. In 1967, the legislature adopted a 4 percent state rate and, for the first time, authorized county governments to levy piggyback taxes of their own, subject to repeal by a majority vote of the county electorate. In 1974, transit authorities were also granted the authority, with voter approval, to levy sales taxes.

The current state sales and use tax rate, 5.5 percent, was established on July 1, 2005. During fiscal year 2009, the tax generated about \$7.33 billion in revenue for state government. Of that amount 97.2 percent or \$7.1 billion was distributed to the General Revenue Fund. The balance was distributed to the Public Library Fund.

The department collects the combined state and local tax, then distributes the local share of revenue directly to the counties and transit authorities. The same exemptions and exceptions, credits, and payment dates apply to the permissive taxes as to the state tax.

As of July 1, 2009, all 88 Ohio county governments levied permissive sales and use taxes ranging in size from 0.50 percent to 1.5 percent. During the 2009 calendar year, the state collected approximately \$1.3 billion for county governments from such levies.

As of July 1, 2009, eight transit authorities also levied sales and use taxes of up to 1 percent. They were: the Greater Cleveland Regional Transit Authority, the Central Ohio Transit Authority, the Laketran Transit Authority (Lake County), the Western Reserve Transit Authority (Mahoning County), the Greater Dayton Regional Transit Authority, the Portage Area Regional Transit Authority, the Stark Area Regional Transit Authority and the Metro Regional Transit Authority (Summit County). In calendar year 2009, the state collected about \$330.6 million for these transit authorities.

Fiscal year 2009 saw continued efforts by the state to become a full member of the Streamlined Sales and Use Tax Agreement, a multi-state effort to harmonize sales tax rules across state lines. This involved the implementation of a change to the way Ohio taxed delivery sales.

During fiscal year 2007, Ohio was phasing in a requirement for vendors who engage in delivery sales to move toward destination sourcing of those sales – meaning calculating the rate at the destination of the sale rather than the location of the vendor. Vendors with \$30 million or more in delivery sales in the previous year were required to make this switch by May 1, 2007, and the plan called for all other vendors to follow suit by Jan. 1, 2008.

But concern among small business owners prompted the General Assembly to put the effort on hold for smaller vendors.

In late 2007, the Streamlined Sales Tax Governing Board agreed to allow states like Ohio to become full members while continuing to permit origin sourcing of intrastate delivery sales of tangible personal property. As a result, Ohio House Bill 429 was enacted in the spring of 2008. It required the relative few delivery sellers who already made the switch to destination sourcing to go back to origin sourcing of delivery sales by Jan. 1, 2010.

Taxpayer

(Ohio Revised Code 5739.01, 5739.03, 5739.031, 5739.17, 5741.01)

Any person, retailer, business, organization, or provider of taxable services making retail sales or making taxable purchases on which the tax has not been paid is required to file a return and remit the tax due. See Exhibit 1 for a description of taxpayers and applicable vendor's licenses.

Tax Base

(R.C. 5739.01, 5741.01)

The state, county, and transit authority sales and use taxes apply to all retail sales of tangible personal property that are not specifically exempt. The tax also applies to the rental of tangible personal property, the rental of hotel rooms by transient guests, and the sales of the following specified services:

- repair of tangible personal property;
- installation of tangible personal property;
- washing, cleaning, waxing, polishing, and painting of a motor vehicle;
- laundry and dry cleaning services;
- automatic data processing, computer services, and electronic information services used in business;
- telecommunications services;
- lawn care and landscaping;
- private investigation and security;
- building maintenance and janitorial services;
- employment services and employment placement services;
- exterminating services;
- physical fitness facility services;
- recreation and sports club services;
- mobile telecommunications services;
- satellite broadcasting services;
- personal care services;
- transportation of persons by motor vehicle or aircraft entirely within this state;
- motor vehicle towing services;

Exhibit 1

Description of Sales Tax Taxpayers and Vendor's Licenses		
Taxpayer	Cost of License	Description
Vendor	\$25	Each person or business establishment located in Ohio making retail sales.
Service vendor	\$25	Person or business that provides automatic data processing, computer services, and electronic information services; or telecommunications services; mobile telecommunications services; lawn care and landscaping services; private investigation and security services; building maintenance and janitorial services; employment and employment placement services; exterminating services; satellite broadcasting services; or snow removal services. The license is valid statewide.
Transient vendor	\$25	Retailer who makes sales in any county in which they have no fixed place of business. The license is valid statewide.
Delivery vendor	\$25	Retailer who maintains no store, showroom, or similar place of business where merchandise is offered for sale, or who has no location where merchandise displayed in catalogs may be selected or picked up by customers.
Seller	No fee	Retailer located outside of Ohio who makes retail sales of property or services for storage, use, or consumption in Ohio.
Direct pay permit holder	No fee	Consumers authorized by the Tax Commissioner to remit tax directly to the state instead of to the vendor. This authority can only be issued upon application if the Commissioner determines that granting the authority would improve compliance and increase the efficiency of the administration of the tax.
Clerks of court	No fee	Dealers remit taxes collected on sales of motor vehicles, watercraft, and outboard motors to county clerks of court when a title is issued. Clerks of court also collect the tax on casual sales of motor vehicles, and sales of watercraft and outboard motors required to be titled. Clerks of court remit these receipts to the state.
Division of Liquor Control	No fee	Collects and remits sales tax paid on state-controlled spiritous liquor sold in state-contracted liquor agencies.
Consumers' use tax account	No fee	Purchasers who have not paid the tax to a vendor or seller (in most cases for out-of-state transactions) make payments directly to the state.

- snow removal services; and
- electronic publishing services.

The tax also applies to all transactions by which a warranty, maintenance, or service contract is, or is to be, provided and all transactions by which tangible personal property is, or is to be, stored.

The use tax base is identical to that of the sales tax. Use tax applies to the use of purchases made outside of Ohio and to purchases made from vendors located in Ohio that did not properly charge the state, county or transit authority tax. For additional information on use tax, see the discussion in **Rates**, below, under **Sourcing**.

Rates

(R.C. 5739.02, 5739.021, 5739.023, 5739.025, 5739.026, 5741.02, 5741.021– 5741.023)

State rate

The state sales and use tax rate has been 5.5 percent since July 1, 2005.

Local rates

Current law gives counties the option of levying a sales tax of up to 1 percent for county general revenue, plus an additional tax of up to 0.5 percent for county general revenue or several specific purposes outlined in the Ohio Revised Code. These taxes, which must be in 0.25 increments, may be repealed by county voters.

Transit authorities are also authorized to levy additional permissive sales and use taxes at rates of 0.25 percent to 1.5 percent in quarter-percent increments.

The following table shows the number of counties at each total combined state and local tax rate as of July 1, 2009.

Total Rates	Number of Jurisdictions
6.25 %	4
6.50 %	24
6.75 %	16
7.00 %	43
7.75 %	1

Note: Four Ohio counties – Delaware, Fairfield, Licking and Union – have more than one combined sales and use tax rate in effect because a small part of their area lies within the territory of the Central Ohio Transit Authority (COTA). The table above does not reflect the 0.5 percent COTA rate that applies in part of these four counties.

Rate schedule

A combined sales tax schedule that includes local levies is outlined in R.C. 5739.025.

Sourcing

For most taxable sales, the sales tax rate is based on the location of the vendor from which the sale was made.

Exceptions include services such as automatic data processing, computer services, electronic information services, telecommunications services, private investigation and security services, lawn care and landscaping services, building maintenance and janitorial services, employment services, employment placement services, exterminating services, satellite broadcasting services, and snow removal services. For these services, the rate is based on the location where the service is purchased and performed or received.

Special sourcing rules are in place for certain sales of digital goods or software delivered electronically that are concurrently available for use by the consumer in multiple locations, for certain types of direct mail, for telecommunications services, and for leases.

Generally, the applicable use tax rate for all taxable sales on which no tax was paid to the vendor is based on the location of the purchaser.

Use tax is generally applied only to purchases from non-Ohio vendors when no sales tax has been paid. The rate is identical to the sales tax rate in effect at the location of the purchaser. House Bill 429, effective Jan. 1, 2010, clarified the use tax obligation and rate for Ohio consumers. The bill states that a consumer will owe no additional sales tax liability on a sale of tangible personal property inside Ohio if the consumer has paid sales tax to a vendor, regardless of whether the amount of sales tax invoiced is calculated at the rate where the consumer receives the property or the rate where the vendor received the order. Consumers do, however, have a liability on purchases made out-of-state, by catalog or via the Internet on which no sales tax has been paid. The tax can be remitted either on state income tax returns or by filing a use tax voluntary payment form.

Exemptions and Exceptions

(R.C. 5709.25, 5739.01, 5739.011, 5739.02, 5741.02, 6121.16, 6123.041)

The sales and use tax does not apply to:

- copyrighted motion picture films unless solely used for advertising;
- service transactions in which tangible personal property is an inconsequential element for which no separate charge is made except for the services that are specifically taxable (see **Tax Base**);
- the value of motor vehicles traded in on new motor vehicles sold by licensed new motor vehicle dealers;
- tangible personal property or the benefit of a taxable service to be resold in the form received;
- the refundable deposit paid on returnable beverage containers, cartons, and cases;
- tangible personal property used or consumed in commercial fishing;
- sales to U.S. government agencies;
- sales to the state or any of its political subdivisions;
- food for human consumption off the premises where sold;
- food sold to students in a dormitory, cafeteria, fraternity, or sorority;
- newspapers;
- magazine subscriptions or magazines distributed as controlled circulation publications;
- motor vehicle fuel subject to the state motor fuel excise tax;
- gas, water, and steam delivered through pipes or conduits by a utility company and electricity delivered through wires;
- communications services provided by telegraph companies;

- casual sales except for motor vehicles, titled watercraft and outboard motors, snowmobiles, and all-purpose vehicles;
- sales by churches and nonprofit organizations (except for the sale of motor vehicles) provided that the number of sales does not exceed six days each year;
- transportation of persons or property, except the transportation of persons specifically taxed as a service;
- sales to churches, nonprofit organizations included under Internal Revenue Code (I.R.C.) 501(c)(3), nonprofit scientific research organizations, and to other nonprofit charitable organizations;
- sales to nonprofit hospitals and to those privately-held homes for the aged and hospital facilities that are financed with public hospital bonds;
- building and construction material sold to contractors for incorporation into real property constructed for federal, state, or local governments; for religious and certain other nonprofit charitable institutions; for horticulture and livestock structures; and for other specified organizations and industries;
- ships and rail rolling stock used in interstate or foreign commerce and material used for the repair, alteration, or propelling of such vessels;
- material, machinery, equipment, and other items used in packaging property to be sold at retail;
- all drugs for a human being dispensed by prescription; urine and blood testing materials used by diabetics or persons with hypoglycemia; medical oxygen and medical oxygen equipment for personal use; hospital beds for personal use; and epoetin alfa for persons with a medical disease;
- prosthetic devices, durable medical equipment for home use, or mobility enhancing equipment sold by prescription for use by a human being;
- emergency and fire protection vehicles used exclusively by nonprofit organizations in providing emergency and fire protection services for political subdivisions;
- sales to nonprofit community centers and to producers offering presentations in music, dramatics, the arts, and related fields to foster public interest and education;
- motor vehicles sold in Ohio to nonresidents for titling and use in most other states and Canada, provided that the other state or province does not collect sales tax from Ohio residents for motor vehicles purchased there or provided that the state offers a credit to their residents for vehicles purchased in Ohio;
- property used in the preparation of eggs for sale;
- sales of property for use in agricultural production;
- property manufactured in Ohio and immediately shipped outside the state for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer;
- sales to non-commercial, educational broadcasting stations;

- sales of animals by nonprofit animal shelters and county humane societies;
 - items used in preserving, preparing, or serving food, or material used in maintaining or cleaning these items in a commercial food service operation;
 - tangible personal property used by holders of exempt facility certificates issued by the Tax Commissioner in air, noise, or water pollution control facilities or in energy conversion, solid waste energy conversion, or thermal efficiency improvement facilities;
 - bulk water for residential use;
 - sales of equipment used in qualified research and development;
 - sales and installation of agricultural land tile and the sale and installation of portable grain bins to farmers;
 - fees paid for the inspection of emission control equipment on motor vehicles;
 - sales, leases, repairs, and maintenance of motor vehicles used primarily in providing highway transportation for hire;
 - sales to state headquarters of veterans' organizations chartered by Congress or recognized by the U.S. Department of Veterans Affairs;
 - as defined by federal law, normally taxable food items, such as soft drinks, sold to persons using food stamps;
 - sales of tangible personal property and services used directly in providing a telecommunications service, mobile telecommunications service, or satellite broadcasting service;
 - trade-ins on purchases of new or used watercraft or outboard motors sold by licensed boat dealers;
 - property and labor used to fulfill a warranty or service contract;
 - property used to store and handle purchased sales inventory in a warehouse or similar facility, when the inventory is primarily distributed outside Ohio to retail stores of the person who owns or controls the warehouse, to retail stores of an affiliated group of which the owner of the warehouse is a member, or by means of direct marketing;
 - sales of computer equipment made to qualifying certified teachers and used for educational purposes;
 - sales of certain tangible personal property made to qualified motor racing teams;
 - sales of used manufactured and mobile homes;
 - sales of coin-operated car washes;
 - the provision of self-service laundry or dry cleaning facilities;
 - intrastate transportation of persons by transit bus or ambulance or by a person that holds a Certificate of Public Convenience and Necessity under 49 United States Code 41102;
 - sales of telecommunications services used directly and primarily to perform the functions of a call center;
 - sales of personal property and services used directly and primarily in providing taxable intrastate transportation of persons;
 - repair and replacement parts and repair and maintenance services for aircraft used primarily in a fractional aircraft ownership program;
 - items used in acquiring, formatting, editing, storing, and disseminating data or information by electronic publishing;
 - items used in the repair and maintenance of aircraft and avionics systems for aircraft;
 - repair, remodeling, replacement, or maintenance services performed on aircraft or on an aircraft's engine, avionics, or component materials or parts;
 - sales of full flight simulators that are used for pilot or flight-crew training and repair and replacement parts or components for such full flight simulators; and
 - repair and maintenance services for full flight simulators.
- Also, Ohio law:
- permits a 25 percent sales tax refund for qualified computer purchases for providers of electronic information services;
 - caps at \$800 the sales or use tax on any aircraft sold as a fractional share aircraft; and
 - exempts from the use tax items that are held by a person, but not for that person's own use, and donated to a charitable organization or to the state or its political subdivisions for exclusively public purposes.
- Ohio law also includes direct use and primary use exemptions. The direct use exemption applies to:
- material incorporated as a component part of tangible personal property produced for sale by manufacturing, assembling, processing, or refining;
 - material used or consumed directly in the production of tangible personal property by mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas;
 - tangible personal property used directly in rendering a public utility service;
 - tangible personal property used or consumed in the preparation for sale of printed and other reproduced material and magazines distributed as controlled circulation publications; and
 - certain property used in making retail sales including: advertising material or catalogs used or consumed in making retail sales that price and describe property; preliminary materials sold to direct marketing vendors that will be used in printing advertising material; printed matter that offers free merchandise or chances to win sweepstakes prizes and includes advertising material; equipment primarily used to accept orders for direct marketing retail sales; and certain automatic food vending machines.
- The primary use exemption refers to tangible personal property used primarily in a manufacturing operation to pro-

duce a product for sale. The primary use exemption includes, but is not necessarily limited to, the following items:

- production machinery and equipment that act upon the product being produced;
- handling and transportation equipment (except licensed motor vehicles) used in moving property in or between plants during the production process;
- property used in producing property that is used or consumed in the production of a final product (use on use);
- coke, gas, water, steam, and similar substances used in the manufacturing operation;
- catalysts, solvents, water, acids, oil, and similar consumables that interact with the product and are an integral part of the manufacturing operation;
- property that is used to control, physically support, or is otherwise necessary for functioning of machinery and equipment and continuation of the manufacturing operation; and
- machinery and equipment, detergents, supplies, solvents, and any other tangible personal property located at a manufacturing facility that are used in the process of removing soil, dirt, or other contaminants from, or otherwise preparing in a suitable condition for use, towels, linens, articles of clothing, floor mats, mop heads, or other similar items, to be supplied to a consumer as part of laundry and dry cleaning services, only when the towels, linens, articles of clothing, floor mats, mop heads, or other similar items belong to the provider of the services.

Special Provisions

Cumulative filing (R.C. 5739.12 and Rule 5703-9-09)

The Tax Commissioner may require a vendor that operates from multiple locations or has multiple vendors' licenses to report all liabilities on one consolidated return. Vendors who have two or more places of business in Ohio may, upon approval by the Tax Commissioner, file a single monthly consolidated return reporting on one form the information that normally is required to be reported from each location.

Pre-arranged agreements (R.C. 5739.05 and Rule 5703-9-08)

Vendors, such as fast food outlets, whose business is of a nature that keeping records of which sales are taxable and which are exempt would impose an unreasonable burden, may be authorized by the Tax Commissioner to pay an amount based on a test check conducted to determine the proportion of taxable sales to total sales. Businesses electing this method of payment still collect the tax from customers at the time of purchase.

Pre-determined agreements (R.C. 5739.05 and Rule 5703-9-08)

Vendors, such as coin-operated vending machine operators, whose business is of a nature that the collection of the tax from consumers would impose an unreasonable burden, may be authorized by the Tax Commissioner to pay the tax at a pre-determined rate based on an analysis of sales and prices.

Construction contractors (R.C. 5739.01 and Rule 5703-9-14)

Construction contractors are considered to be the consumers of property incorporated into the construction of or

improvement to real property and, thus, are responsible for paying the tax on such property.

Lodging tax (R.C. 5739.09)

In addition to the state sales tax, municipal corporations, townships, and counties may levy an excise tax on hotel and motel room rentals at a rate not exceeding 3 percent. In most cases, total combined local levies may not exceed 6 percent. In certain cases, a portion of the receipts is earmarked for convention centers and visitors bureaus. County convention facility authorities were permitted between June 29, 1988 and Dec. 31, 1988 to enact an additional 4 percent lodging tax for convention facility or sports center construction. This tax is in addition to the combined maximum 6 percent rate for county, township, or municipal lodging taxes, thereby allowing a combined local rate of 10 percent.

Payment by EFT (R.C. 5739.032, 5739.122, 5741.121)

Vendors are required to remit payment by electronic funds transfer (EFT) in cases where annual liability exceeds \$75,000 per calendar year. (Taxpayers required to use this payment method will be notified by the department.) Vendors that do not meet the \$75,000 threshold may request authorization by the Treasurer of State to remit tax payments by EFT.

Accelerated tax payment (R.C. 5739.032, 5739.122, 5741.121)

Vendors required to remit tax by EFT are required to make advance payment of 75 percent of each month's anticipated tax by the 23rd day of that month. These vendors are still required to file a return by the 23rd of the next month and pay the balance of their tax due, along with that month's accelerated payment.

Filing and Payment Dates

(R.C. 5739.031, 5739.12, 5739.17, 5741.12, Rule 5703-9-10)

See Exhibit 2, top of the next page, for a summary of filing and payment dates.

Discount (R.C. 5739.12, 5741.12)

Payments made on or before the due date entitle the vendor to a discount of 0.75 percent of the amount due. (Example: \$5,000 tax due – \$37.50 discount = \$4,962.50 net tax due.)

Disposition of Revenue

State sales and use tax (R.C. 5739.21, 5741.03)

During fiscal year 2009, the General Revenue Fund (GRF) received 97.2 percent of sales and use tax revenues, and the Public Library Fund (PLF) received 2.9 percent.

The percentage of state sales tax revenue credited to the PLF varies from year to year based on a fixed percentage of all tax collections into the GRF. One half of each monthly transfer from the GRF to the PLF is credited against the state sales tax portion of GRF revenues.

County permissive sales and use tax (R.C. 5739.21, 5741.03)

Ninety-nine percent of revenue is distributed to the general fund of the county that levied the tax. One percent is credited to the Local Sales Tax Administrative Fund for the use of the Tax Commissioner in defraying administrative costs.

County additional permissive sales and use tax (R.C. 5739.21, 5741.03)

Ninety-nine percent of revenue is distributed to the special purpose fund of the county that levied the tax. One percent is

Exhibit 2

Type of Sales Tax Returns and Filing Payment Dates		
Type of Return	Taxpayer	Payment Date
Weekly	Clerks of court	Payment on Monday for taxes collected during the preceding week on motor vehicles, and on watercraft and outboard motors titled.
Semi-monthly	Division of Liquor Control	By the 15th day of the month for the tax collected during the last 15 days of the previous month, and by the last day of the month for the tax collected during the first 15 days of the month, on spiritous liquor sold in state-contracted liquor agency stores.
Monthly	Vendors, sellers, service vendors, transient vendors, delivery vendors, direct pay permit holders, consumers' use tax accounts	By the 23rd day of the month following the close of the reporting period, which is the previous month. Taxpayers whose annual liability in a prior year exceeded \$75,000 are required to pay by EFT. These same taxpayers are required to make accelerated payments during each month.
Quarterly	Direct pay permit holders, consumers' use tax accounts	By the 23rd day of January, April, July, and October for their tax liability during the preceding three months; this method of payment may be authorized for accounts with less than \$5,000 in quarterly tax liability.
Semi-annual	Vendors, sellers, service vendors, transient vendors, delivery vendors	By the 23rd day of the month following the close of each semi-annual period (pre-determined by filing schedule) for the tax collected during the preceding six-month period; this method of payment may be authorized for vendors and sellers whose tax liability is less than \$1,200 per six-month period.

credited to the Local Sales Tax Administrative Fund for the use of the Tax Commissioner in defraying administrative costs.

Transit authority sales and use tax (R.C. 306.31, 5739.21, 5741.03)

Ninety-nine percent of revenue is distributed to the general revenue fund of the transit authority that levied the tax for the purpose of acquiring, constructing, operating, maintaining, replacing, improving, and extending transit facilities. One percent is credited to the Local Sales Tax Administrative Fund for the use of the Tax Commissioner in defraying administrative costs.

Administration

The Tax Commissioner administers the sales and use tax for the state, for counties, and for transit authorities.

Ohio Revised Code Citations

Chapters 306, 307, 351, 5709, 5739, 5741, and 6111.

Recent Legislation

House Bill 1, 128th General Assembly (effective Oct. 1, 2009)

Sales tax applied to Medicaid Managed Care Providers – R.C. 5739.01(B)(11) was enacted to replace a franchise tax of 5.5 percent that had applied to Medicaid managed care corporations licensed to do business in Ohio. It applies the sales tax to all transactions by which health care services are paid for, reimbursed, provided, delivered, arranged for, or otherwise made available by a Medicaid health insuring corporation. R.C. 5739.01(D)(7) was enacted specifying that the Medicaid health insuring corporation is the consumer

of all such services. R.C. 5739.01(H)(4) was enacted to specify that the price of such services is the amount of monthly health care premiums received by the Medicaid health insuring corporation.

Recent Court Decisions

Marc Glassman Inc. v. Levin, 119 Ohio St.3d 254, 2008-Ohio-3819:

The Ohio Supreme Court ruled that certain transactions between an operator of pharmacies and two third parties did not constitute electronic information services as defined in R.C. 5739.01(Y)(1)(c). At issue was an agreement between the operator and the third parties to electronically transmit customers' insurance information on prescription purchases to the appropriate insurance carriers. The carriers would respond whether the customer was covered, the amount of any copay, and an authorization number. The Commissioner assessed the transactions between the taxpayer and the third parties as electronic information services as defined in R.C. 5739.01(Y)(1)(c). The Board of Tax Appeals reversed and the Supreme Court affirmed the Board's decision. The Court found the taxpayer did not receive access to the insurer's data, only the response to an inquiry.

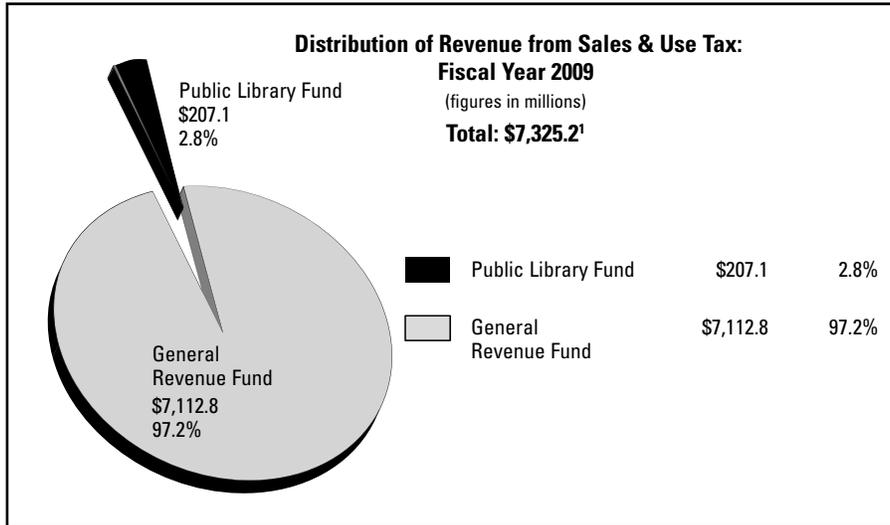
Home Depot USA Inc. v. Levin, 121 Ohio St.3d 482, 2009-Ohio-1431:

The Ohio Supreme Court ruled that the vendor was not entitled to claim a refund of sales tax for bad debts on sales made to customers using its private label credit card. The credit card was managed by a third party that paid the vendor the amount due on the purchases made using the credit card, less a service fee, and assumed the risk of loss

on the debt. The Supreme Court found that the vendor was not the party that wrote the bad debts off in its books as required by R.C. 5739.121. The customer owed the debt to

the third party, not the vendor. Therefore, the vendor was not entitled to claim the bad debt deduction.

Chart



¹ Includes Attorney General collections which amount to \$5.3 million.

Table 1

Sales and Use Tax - Collections By Type of Payments (includes State and County/Transit Authority Permissive Tax) Fiscal Year 2009	
<p>The figures in this table represent gross collections and therefore include collections from assessments and penalties. Refunds have not been subtracted out. Figures are prior to any distribution to any state fund or to county and permissive transit authorities.</p> <p>Also, local sales and use tax collections include deposits into the Local Sales Tax Administration Fund, amounting to \$17,199,483. The local sales and use tax figure reflects collections during the July 2007 – June 2008 period (rather than distributions made during the July 2008 – June 2009 period).</p>	
Type	Amount
Vendor's Sales	\$6,407,507,310
Motor Vehicle and Water Craft (from Clerks of Court)	984,588,232
Seller's Use	995,789,144
Consumers' Use	291,942,139
Direct Payment	218,820,118
Streamlined Sales	4,596,171
Liquor Sales by Division of Liquor Control	33,675,740
Attorney General Sales and Use Tax Collections	<u>46,095,472</u>
Total State and Local Collections	\$8,983,014,326
Less Local Sales and Use Tax Collections	1,698,030,973
Total State Collections	\$7,284,983,353

Source: Ohio Department of Taxation records and information from the state accounting system.

1 Includes Attorney General collections which amount to \$5.3 million.

Table 2

State and Permissive (Local) Sales and Use Tax Collections, by Industrial Classification: July 2008 through June 2009 Period					
<p>The industrial classification data in this table reflects the principal business activity of each business entity, generally based on the industrial (NAICs) code indicated on the entity's sales or use tax registration form. In addition, the tax collection data reflected in this table primarily emanates from businesses that operate as vendors or sellers, who collect sales or use taxes from customers and remit such collections to the state. However, some businesses (such as manufacturers) remit the sales or use tax on their taxable purchases directly to the state instead of to their vendors and sellers, usually by means of a direct payment or consumer use tax account. Amounts remitted by entities that have these types of accounts are also included in this table.</p> <p>The data in this table is extracted from sales and use tax returns. The totals in this table do not match actual collections because this table does not include clerks of courts tax collections and because the table does not reflect subsequent adjustments made to tax returns, as well as revenue generated from audit activity.</p>					
Industrial Classification	NAICs codes	Number of Business Entities, January-June 2009¹	July-December 2008 collections	January-June 2009 collections	Total FY 2009 collections
Agriculture, Forestry, and Fishing	111100-115310	563	\$1,589,692	\$2,282,377	\$3,872,069
Mining	211110-213110	98	1,714,275	1,200,786	2,915,061
Utilities (excluding telecommunications)	221100-221300	96	37,915,865	119,057,032	156,972,897
Construction	236110-238900	1,498	23,478,389	16,071,698	39,550,087
Manufacturing	311110-339900	8,554	148,653,228	119,304,750	267,957,978
Wholesale Trade	423100-425120	3,962	83,093,691	65,192,948	148,286,639
Retail Trade:					
Motor Vehicle and Parts Dealers ²	441110-441300	5,895	159,019,513	147,777,921	306,797,434
Furniture and Home Furnishings Stores	442110-442299	4,175	95,774,701	78,831,578	174,606,279
Electronic and Appliance Stores	443111-443130	3,200	167,809,060	147,438,898	315,247,958
Building Material and Garden Equipment & Supplies	444110-444200	8,516	411,176,771	335,659,687	746,836,458
Food and Beverage Stores	445110-445310	7,398	204,151,767	202,292,676	406,444,443
Health and Personal Care Stores	446110-446190	8,728	119,290,861	120,223,893	239,514,754
Gasoline Stations	447100	1,440	71,744,844	71,608,331	143,353,175
Clothing and Clothing Accessories Stores	448110-448320	4,852	173,954,058	148,160,953	322,115,011
Sporting Goods, Hobby, Book, and Music Stores	451110-451220	7,024	98,172,667	88,332,182	186,504,849
General Merchandise Stores	452110-452900	4,881	601,512,758	514,141,209	1,115,653,967
Miscellaneous Store Retailers	453110-453990	30,560	458,960,666	413,890,837	872,851,503
Nonstore Retailers	454110-454390	4,032	67,039,676	65,432,075	132,471,751
Transportation and Warehousing	481000-493100	1,603	8,189,252	7,169,305	15,358,557
Information (including telecommunications)	511110-519100	3,604	351,468,782	334,201,053	685,669,835
Finance and Insurance	522110-525990	350	17,893,432	12,723,107	30,616,539
Real Estate, and Rental & Leasing of Property	531110-533110	3,470	102,726,068	87,897,313	190,623,381
Professional, Scientific and Technical Services	541110-541990	5,865	47,798,306	47,333,070	95,131,376
Management of Companies (Holding Companies)	551111-551112	33	1,201,098	2,273,681	3,474,779
Administrative & Support Services, and Waste Management & Remediation Services	561110-562000	11,476	160,690,403	126,170,758	286,861,161
Education, Health Care and Social Assistance	611000-624410	1,675	5,542,053	5,503,345	11,045,398
Arts, Entertainment, and Recreation	711100-713900	2,558	24,628,171	20,425,302	45,053,473
Accommodation and Food Services	721110-722410	18,718	379,192,248	343,819,729	723,011,977
Other Services	811110-812990	16,119	107,291,987	106,590,013	213,882,000
Unclassified	n/a	6,806	22,728,616	19,919,586	42,648,202
TOTAL		177,749	\$4,154,402,898	\$3,770,926,093	\$7,925,328,991

Source: Ohio Department of Taxation records.

¹ Indicates the number of separate legal entities (not the number of separate locations) that filed and remitted sales or use tax at any time during the January through June 2009 period.

² Tax collections from automobile and watercraft sales are not included in this table. Such taxes are collected by the county clerks of courts and then remitted to the state.

Table 3

Sales & Use Tax				
Number of Accounts, By Type and Payment Schedule				
(As of July 1, 2009)				
Accounts	Payment Schedule			Total
	Semi-Annual	Monthly	Quarterly	
Vendors (includes 40,264 master ¹ accounts issued by counties)	75,031	95,991		171,022
Master ¹ (accounts issued by the state)	225	3,284		3,509
Transient	31,597	2,888		34,485
Service	13,445	8,711		22,156
Delivery	8,881	1,601		10,482
Consumers	0	1,896	13,017	14,913
Direct-Pay	0	351	123	474
Out of State	<u>7,594</u>	<u>7,590</u>		<u>15,184</u>
Grand Total	136,773	122,312	13,140	272,225

¹ A master account is an account held by a vendor that has multiple locations (and thus multiple vendor's licenses) in one or more counties. Currently, it would not include delivery or service licenses or out-of-state seller accounts.

Table 4

County and Transit Authority Permissive Sales Tax Collections
Calendar Years 2004 - 2009

This table displays permissive sales tax revenue for counties and transit authorities in the years shown. Please note that some counties and transit authorities have repealed and then re-enacted the tax, or have changed the rate since the first enactment.

County	2004	2005	2006	2007	2008	2009	Initial Enactment	Tax Rate 12/31/08	Effective Date of Current Rate 12/31/08
ADAMS	\$2,797,066	\$3,048,760	\$2,969,347	\$3,183,996	\$3,118,975	\$2,962,554	June 1, 1991	1.50	Apr 1, 2006
ALLEN	14,105,944	14,436,614	14,481,886	14,849,544	13,972,200	13,165,331	May 1, 1970	1.00	Jun 1, 1987
ASHLAND	5,425,965	6,148,759	6,124,578	6,285,331	6,317,590	5,767,699	Mar. 1, 1971	1.25	Jan 1, 1998
ASHTABULA	8,428,479	8,777,806	8,649,601	8,638,589	8,570,060	7,938,933	Apr. 1, 1977	1.00	Jul 1, 1985
ATHENS	5,651,235	5,808,440	5,995,215	6,250,298	6,358,789	6,413,526	Feb. 1, 1982	1.25	Jan 1, 1994
AUGLAIZE	6,183,157	6,525,568	6,629,972	6,915,103	7,035,131	6,230,098	Nov. 1, 1973	1.50	Jun 1, 1996
BELMONT	11,870,099	12,067,904	11,556,532	11,585,345	10,848,695	10,780,315	May 1, 1985	1.50	Jan 1, 1995
BROWN	3,180,477	3,284,391	3,314,663	3,251,092	3,079,320	2,962,698	Aug. 1, 1979	1.25	Jan 1, 1996
BUTLER	18,414,134	22,607,419	40,662,380	41,317,070	33,112,821	29,766,768	June 1, 1985	0.75	Jan 1, 2008
CARROLL	1,625,241	1,724,715	1,603,847	1,803,206	1,890,307	1,655,211	Sep. 1, 1985	1.00	Jul 1, 2006
CHAMPAIGN	4,013,697	4,357,255	4,550,508	4,481,444	4,625,788	4,034,562	Jan. 1, 1986	1.50	Jul 1, 2003
CLARK	12,563,786	16,494,817	18,400,110	13,429,820	18,791,959	18,679,244	Nov. 1, 1972	1.50	Jan 1, 2008
CLERMONT	20,961,722	20,614,510	20,838,670	21,257,485	20,378,457	19,140,719	Aug. 1, 1979	1.00	Oct 1, 1983
CLINTON	4,774,107	5,293,755	7,627,289	7,821,787	7,128,412	6,931,659	May 1, 1972	1.50	Oct 1, 2005
COLUMBIANA	11,850,766	11,293,699	8,281,444	11,094,523	12,603,339	11,690,608	Aug. 1, 1985	1.50	Apr 1, 2007
COSHOCTON	2,619,792	2,754,626	3,957,148	4,387,300	4,451,826	4,080,863	June 1, 1971	1.50	Jan 1, 2006
CRAWFORD	5,023,409	5,068,269	4,907,608	4,982,615	5,036,568	4,405,433	May 1, 1978	1.50	Jul 1, 1994
CUYAHOGA	167,870,952	167,156,017	169,299,614	179,932,073	212,711,596	194,026,358	Sep. 1, 1969	1.25	Oct 1, 2007
DARKE	4,489,900	4,903,446	6,799,401	7,500,135	7,141,728	6,373,738	July 1, 1975	1.50	Oct 1, 2005
DEFIANCE	4,482,197	4,433,635	4,546,018	4,780,726	4,647,121	4,311,802	Feb. 1, 1987	1.00	Feb 1, 1987
DELAWARE	31,861,129	32,540,265	33,762,217	36,304,531	35,941,918	35,899,776	Jan. 1, 1972	1.25	Oct 1, 1996
ERIE	11,607,891	12,091,821	12,448,397	12,544,818	12,749,346	11,766,426	Mar. 1, 1977	1.00	May 1, 1993
FAIRFIELD	10,339,538	10,863,626	11,011,730	11,326,997	11,564,477	11,668,564	Sep. 1, 1981	0.75	Aug 1, 1995
FAYETTE	3,986,368	4,103,489	4,343,975	4,684,890	6,626,664	6,675,310	Mar. 1, 1983	1.50	Jan 1, 2008
FRANKLIN	85,587,547	97,652,189	172,872,499	177,768,109	136,336,222	122,649,116	Sep. 1, 1985	0.75	Jan 1, 2008
FULTON	3,994,295	4,056,451	4,078,807	4,058,595	4,147,325	3,728,875	May 1, 1972	1.00	Feb 1, 1987
GALLIA	3,681,635	3,707,314	3,873,943	4,074,918	4,240,343	4,025,647	Dec. 1, 1981	1.25	Feb 1, 1995
GEAUGA	9,132,782	10,623,796	10,928,863	11,632,972	11,453,277	10,409,829	Aug. 1, 1987	1.00	Feb 1, 2004
GREENE	19,571,707	19,258,566	20,408,306	21,106,684	20,903,959	20,558,891	Mar. 1, 1971	1.00	Feb 1, 1987
GUERNSEY	5,495,869	5,607,908	5,824,558	5,860,713	5,849,364	6,131,011	Feb. 1, 1971	1.50	Aug 1, 1993
HAMILTON	127,712,184	126,800,138	129,376,893	133,199,307	129,798,378	120,408,014	June 1, 1970	1.00	Jun 1, 1996
HANCOCK	7,847,608	7,049,929	5,377,722	5,619,402	5,365,589	11,218,865	Feb. 1, 1979	1.25	Jan 1, 2009
HARDIN	1,993,026	3,131,942	3,334,029	3,369,736	3,188,497	3,166,318	Oct. 1, 1985	1.50	Jan 1, 2005
HARRISON	1,267,537	1,360,630	1,381,888	1,354,411	1,287,617	1,254,949	Dec. 1, 1985	1.50	Jun 1, 1994
HENRY	2,421,135	2,492,774	2,934,326	3,224,179	3,678,937	3,428,056	Mar. 1, 1972	1.50	Apr 1, 2007
HIGHLAND	3,206,611	4,015,905	5,091,812	5,172,130	4,952,521	4,874,812	May 1, 1979	1.50	Jul 1, 2005
HOCKING	2,724,117	2,645,245	2,808,952	2,864,739	2,847,045	2,727,787	Apr. 1, 1979	1.25	Jan 1, 1998
HOLMES	4,270,098	4,442,924	4,312,824	4,351,938	4,577,731	4,249,652	July 1, 1977	1.00	Jan 1, 1998
HURON	7,234,249	7,709,108	7,785,060	7,851,113	7,593,299	6,926,248	Feb. 1, 1978	1.50	Jan 1, 1996
JACKSON	4,383,073	4,448,993	4,482,840	4,512,968	4,356,868	4,173,994	Apr. 1, 1982	1.50	Jan 1, 1998
JEFFERSON	9,336,204	9,431,938	9,722,077	10,369,775	10,445,767	9,437,739	June 1, 1973	1.50	Nov 1, 1994
KNOX	4,808,364	5,236,888	5,384,622	5,404,741	5,439,283	4,951,627	May 1, 1971	1.00	Feb 1, 1994
LAKE	15,277,887	15,109,090	15,469,561	15,841,911	15,529,714	14,353,531	July 1, 1969	0.50	Aug 1, 1988
LAWRENCE	6,332,245	6,244,193	6,496,600	6,723,374	6,808,072	6,587,932	June 1, 1986	1.50	Jun 1, 1998
LICKING	16,339,191	16,784,668	23,730,294	24,751,138	24,283,013	23,055,893	Feb. 1, 1971	1.50	Jan 1, 2006
LOGAN	7,238,342	7,419,757	7,350,392	7,525,447	7,706,490	6,796,016	Jan. 1, 1974	1.50	Jul 1, 1997
LORAIN	21,904,257	22,040,916	23,025,723	23,760,781	22,873,860	30,262,475	July 1, 1985	1.25	Apr 1, 2009
LUCAS	69,957,182	70,590,574	70,824,075	71,801,939	70,363,214	64,340,305	Feb. 1, 1971	1.25	Jan 1, 1993
MADISON	4,650,969	3,994,396	4,115,639	4,387,076	4,580,027	3,828,322	Mar. 1, 1983	1.25	Jul 1, 1999
MAHONING	27,537,042	17,624,685	27,620,917	28,431,266	27,981,245	25,971,965	Apr. 1, 1980	1.00	Oct 1, 2005
MARION	6,365,990	6,385,213	6,677,482	\$7,189,172	6,884,440	6,255,481	Sep. 1, 1985	1.00	Apr 1, 1992
MEDINA	8,882,248	9,247,658	9,557,722	11,510,099	19,162,818	18,058,064	Apr. 1, 1971	1.00	Oct 1, 2007
MEIGS	1,071,185	1,090,965	1,158,194	1,230,960	1,225,559	1,214,295	Feb. 1, 1987	1.00	Feb 1, 1987
MERCER	3,541,059	3,556,298	3,632,555	3,780,028	5,350,703	5,478,648	Nov. 1, 1971	1.50	Apr 1, 2008
MIAMI	10,449,156	10,398,535	10,415,469	10,799,595	10,902,816	10,212,564	Dec. 1, 1969	1.25	Oct 1, 2009
MONROE	1,157,694	1,205,190	1,206,671	1,358,363	1,511,174	1,437,392	Oct. 1, 1986	1.00	Oct 1, 2009
MONTGOMERY	65,568,624	65,853,110	64,734,278	64,377,557	64,340,111	58,729,714	Jan. 1, 1971	1.00	Jul 1, 1989
MORGAN	1,042,641	1,057,294	1,008,824	1,060,863	1,168,308	1,135,842	Feb. 1, 1972	1.50	Apr 1, 1990

(Cont'd. on the next page)

Table 4 (cont'd.)

County and Transit Authority Permissive Sales Tax Collections Calendar Years 2004 - 2009									
This table displays permissive sales tax revenue for counties and transit authorities in the years shown. Please note that some counties and transit authorities have repealed and then re-enacted the tax, or have changed the rate since the first enactment.									
County	2004	2005	2006	2007	2008	2009	Initial Enactment	Tax Rate 12/31/08	Effective Date of Current Rate
MORROW	\$2,487,996	\$2,693,181	\$2,659,921	\$2,789,891	\$2,732,270	\$2,418,133	July 1, 1971	1.50	Jul 1, 1995
MUSKINGUM	13,935,522	14,152,783	14,774,019	14,691,024	14,690,306	14,997,407	May 1, 1971	1.50	Apr 1, 1993
NOBLE	909,810	1,008,093	1,005,701	1,056,971	1,047,565	1,093,626	Jan. 1, 1971	1.50	Feb 1, 1995
OTTAWA	4,789,192	4,834,964	5,147,563	5,128,283	5,198,860	4,813,331	Oct. 1, 1973	1.00	Jan 1, 1998
PAULDING	1,611,341	1,599,105	1,589,247	1,596,866	1,563,396	1,352,623	Apr. 1, 1984	1.50	Nov 1, 1991
PERRY	1,677,500	1,763,038	1,798,303	1,818,043	1,799,201	1,854,544	Mar. 1, 1971	1.00	May 1, 1982
PICKAWAY	5,538,138	5,567,490	5,711,366	5,860,320	5,952,481	6,335,068	Oct. 1, 1983	1.50	Dec 1, 2001
PIKE	2,094,889	2,275,828	3,378,628	3,448,304	3,649,439	3,444,775	May 1, 1988	1.50	Jan 1, 2006
PORTAGE	13,550,567	13,751,342	14,386,517	14,884,820	15,133,049	14,468,521	Apr. 1, 1971	1.00	Dec. 1, 1999
PREBLE	4,150,454	4,436,626	4,388,893	4,383,637	4,340,758	3,978,709	Nov. 1, 1979	1.50	May 1, 1994
PUTNAM	2,972,475	3,211,813	3,152,349	3,450,810	3,378,346	3,810,132	Jan. 1, 1974	1.50	Jan 1, 2009
RICHLAND	19,975,252	17,304,647	18,303,057	18,564,613	18,463,217	16,998,124	June 1, 1979	1.25	Apr 1, 2005
ROSS	10,866,703	10,668,371	11,219,815	11,221,083	10,999,022	11,254,090	Jan. 1, 1980	1.50	Oct 1, 1993
SANDUSKY	5,925,675	5,876,824	6,928,914	7,615,121	7,350,669	6,981,002	Aug. 1, 1979	1.25	Apr 1, 2006
SCIOTO	8,394,244	8,449,421	8,744,475	9,177,698	9,227,388	9,176,979	May 1, 1979	1.50	May 1, 2001
SENECA	6,449,435	6,652,424	6,747,142	6,748,385	7,088,480	6,380,064	Oct. 1, 1983	1.50	Aug. 1, 2003
SHELBY	7,302,106	7,737,780	7,950,025	8,109,136	7,490,908	6,539,566	Mar. 1, 1971	1.50	Apr 1, 2008
STARK	11,337,535	11,233,477	11,506,507	11,789,500	11,669,979	24,059,403	Jan. 1, 1987	0.75	Apr 1, 2009
SUMMIT	35,261,093	35,524,910	36,021,182	36,696,575	35,672,063	33,085,279	Mar. 1, 1973	0.50	Nov 1, 1995
TRUMBULL	14,609,638	14,733,480	20,735,712	21,444,461	21,118,330	19,420,353	June 1, 1985	1.00	Jul 1, 2005
TUSCARAWAS	9,156,759	9,072,030	9,267,067	9,431,540	9,410,168	8,662,339	Apr. 1, 1971	1.00	Jul 1, 1998
UNION	6,799,470	7,070,147	7,163,498	8,354,287	9,630,696	8,956,881	Apr. 1, 1989	1.25	Jul 1, 2008
VAN WERT	3,439,543	3,548,502	3,480,108	3,457,911	3,542,444	3,268,999	Mar. 1, 1972	1.50	Mar 1, 1991
VINTON	715,575	763,791	790,618	868,227	829,382	794,454	May 1, 1985	1.50	Mar 1, 1992
WARREN	23,002,502	24,605,083	24,976,707	26,750,180	26,612,718	26,201,291	Jan. 1, 1972	1.00	Jan 1, 1992
WASHINGTON	8,979,532	8,956,175	9,411,203	9,800,889	9,662,989	9,027,451	Oct. 1, 1983	1.50	Jan 1, 1990
WAYNE	8,115,778	8,342,911	8,294,021	8,529,027	8,486,153	7,722,607	Mar. 1, 1971	0.75	Jan 1, 1992
WILLIAMS	4,535,311	4,529,832	4,754,966	4,923,737	4,942,414	4,351,902	Dec. 1, 1977	1.50	Oct 1, 2003
WOOD	14,195,793	14,802,876	14,809,636	15,403,260	15,949,426	15,091,591	June 1, 1971	1.00	Nov 1, 1987
WYANDOT	1,865,055	1,932,519	2,806,218	2,705,482	2,691,934	2,507,231	Feb. 1, 1985	1.50	Oct 1, 2005
COUNTY TOTAL	\$1,200,755,686	\$1,221,774,249	\$1,361,669,941	\$1,405,634,797	\$1,396,160,722	\$1,328,414,534			
CLEVELAND RTA (CUYAHOGA CO.)	\$167,894,949	\$167,165,307	\$169,262,438	\$173,161,230	\$170,707,698	\$155,282,828	Oct. 1, 1975	1.00	Oct 1, 1975
CENTRAL OHIO TA (FRANKLIN CO.)	44,940,803	44,741,979	46,371,674	47,598,995	88,246,021	87,819,553	Sep. 1, 1980	0.50	Jan 1, 2008
LAKETRAN TA (LAKE CO.)	7,637,135	7,552,509	7,728,333	7,913,161	7,744,815	7,157,306	Aug. 1, 1988	0.25	Aug 1, 1988
WESTERN RESERVE TA (MAHONING CO.)						4,167,214		0.25	Apr 1, 2009
GREATER DAYTON RTA (MONTGOMERY CO.)	32,783,222	32,923,985	32,363,030	32,185,370	32,149,806	29,341,697	July 1, 1980	0.50	Jul 1, 1980
PORTAGE AREA RTA (PORTAGE CO.)	3,390,061	3,412,879	3,583,445	3,705,852	3,775,726	3,608,868	Feb. 1, 2002	0.25	Feb 1, 2002
STARK AREA RTA (STARK CO.)	11,371,235	11,287,333	11,525,065	11,785,691	11,696,465	10,410,581	July 1, 1997	0.25	Jul 1, 1997
METRO TA (SUMMIT CO.)	17,605,364	17,749,845	17,989,459	18,306,155	24,848,457	32,829,001	Feb. 1, 1991	0.50	Jul 1, 2008
TRANSIT AUTHORITY TOTAL	\$285,622,770	\$284,833,837	\$288,823,443	\$294,656,453	\$339,168,988	\$330,617,048			
GRAND TOTAL	\$1,486,378,456	\$1,506,608,086	\$1,650,493,384	\$1,700,291,250	\$1,735,329,710	\$1,659,031,582			

Source: Department of Taxation, Revenue Accounting Division.