

Note #2: Instructions for line 10, column B. For those qualifying investors that are C corporations and are not listed below, the estimated tax rate has been reduced to zero for the taxable year beginning in 2009 and thereafter. For those qualifying corporate investors listed below, and for qualifying investors that are estates, trusts or pass-through entities, compute the estimated tax at the rate of 8.5%. See R.C. 5733.41

- Financial holding companies as defined in the federal “Bank Holding Company Act.”
- Bank holding companies as defined in the federal “Bank Holding Company Act.”
- Savings-and-loan holding companies as defined in the federal “Home Owners Loan Act” that are engaging only in activities permissible under 12 United States Code (U.S.C.) 1843(k).
- Persons, other than persons held pursuant to merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 U.S.C. 1843(k)(4)(i), directly or indirectly “owned” by one or more financial institutions, financial holding companies, bank holding companies, or savings-and-loan holding companies, but only if those persons are engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k).
- Persons directly or indirectly “owned” by one or more insurance companies, but only if those persons are authorized to do the business of insurance in this state.
- Persons that solely facilitate or service one or more “securitizations” or similar transactions for financial institutions, financial holding companies, bank holding companies, savings-and-loan holding companies, insurance companies, or persons directly or indirectly “owned” by such businesses.

Definition of “owned” for this purpose: a person “owns” another entity if the person . . .

- . . . owns at least 50% of the entity’s voting stock (corporations),
- . . . owns at least 50% of the entity’s membership interests (LLCs), or
- . . . has a beneficial interest in the entity’s profits, surpluses, losses or distributions (partnerships, trusts or other business interests).

Definition of “securitization” for this purpose: Transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

Note #3: Instructions for line 11, columns A and B: If the taxpayer is paying this year’s estimated tax based upon last year’s tax, enter on this line in columns A and B the amount of tax shown on the year 2013 Ohio form IT 1140, page 1, line 1, columns I and II, respectively. Instructions for line 11, column B: If the taxpayer is paying this year’s tax based on this year’s income, enter the sum of the estimated tax for qualifying investors subject to the 8.5% rate.

Note #4: Instructions for Worksheet #1, line 12, and for Worksheet #3, line 6. If the taxpayer is paying this year’s estimated tax based upon last year’s tax, then the factors for cumulative installments are .25, .50, .75 and 1.00, instead of .225, .45, .675 and .90, respectively.

Fiscal filers: Please use the rate in effect on the last day of the taxable year.

