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Table CAT 1&2
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COMMERCIAL ACTIVITY TAX: Number of Taxpayers and Tax Return Data, Fiscal Year 2011

The commercial activity tax went into effect on July 1, 2005. It is a privilege tax measured by gross receipts from activities in this state. The tax is a key component of the 2005 tax reform package enacted by Am. Sub. House Bill 66 (126th General Assembly). Major business tax components of the act consist of the phase-out of both the tangible personal property tax and the corporate franchise tax and the phase-in of the commercial activity tax.

The tax is levied and paid on a quarterly or annualized basis. Taxpayers with annual taxable gross receipts above \$1 million must report and pay the tax quarterly. Taxpayers whose annual taxable gross receipts are between \$150,000 and \$1 million are considered annual taxpayers and are subject only to the \$150 minimum tax. Taxpayers with annual gross receipts below \$150,000 are not subject to the commercial activity tax.

The attached CAT-1 and CAT-2 tables reflect information reported on tax returns that were due and filed during fiscal year 2011. For quarterly taxpayers, these returns reflect activity for the April 2010 to March 2011 period; the returns were due and filed in August 2010, November 2010, February 2011 and May 2011. In addition, the data include tax returns filed by annual taxpayers for the calendar year 2011 period; the returns were due in May 2011. Several notable factors affecting the data in these tables are explained below.

- Ohio law phased-in the commercial activity tax rate over a five-year period that began in July 2005. The fully phased-in 0.26% tax rate took effect on April 1, 2009 (first impacting fiscal year 2010 tax revenues), and is reflected in the attached tables.
- Each combined and consolidated taxpayer group is shown as a *single entity* in these tables. In the CAT-1 table, the combined or consolidated group is reported under the primary filer's industry code. In the CAT-2 table, the entire group's gross receipts determine the size category in which the group is placed.

As shown in these tables, the total reported commercial activity tax liability before credits for fiscal year 2011 is \$1,503.6 million. Of this amount \$23.2 million is attributable to the minimum tax and \$1,480.4 million is attributable to the 0.26% tax rate. Taxable gross receipts amount to \$649.9 billion but the exclusion available on each return reduces taxable receipts by \$80.5 billion, or 12.4%; the resulting net taxable gross receipts amount to \$569.4 billion.

Table CAT-1 shows tax return information for 19 industrial sectors. The industrial sector data is based on each taxpayer's reported primary business activity, using the North American Industry Classification System (NAICS). The retail sector comprises the largest group of taxpayers, accounting for 12.9% of all taxpayers. This is followed by taxpayers in the unclassified (10.4%), manufacturing (10.1%), construction (9.4%), and professional, scientific and technical services (9.2%) categories. In terms of tax liability, manufacturers account for the largest share at 26.7% of the total. The retail (19.3%) and wholesale (16.1%) sectors account for the next largest shares of total liability.

Table CAT-2 provides tax return information based on the size of each taxpayer's taxable gross receipts (prior to the exclusion). Filers whose fiscal year 2011 taxable gross receipts were \$1 million or below account for 70.5% of all returns but only 1.1% of the total liability. Filers with taxable gross receipts above \$1 billion comprise less than 0.1% of all returns but account for 25.1% of total tax liability.

Data contained in these tables is derived from commercial activity tax returns filed by taxpayers with the Ohio Department of Taxation.

Fiscal Year 2011 Commercial Activity Tax Returns:
 Number of Returns and Reported Financial Data, by Industrial Classification (a)
 Dollar amounts are in 1,000's

Industrial Sector	NAICS Code Ranges	Number of Taxpayers	Taxable Gross		Net Taxable		Tax at 0.26% Rate	Annual Minimum Tax (c)	Tax Before Credits	Non-refundable Tax Credits	Refundable Tax Credits	Total Tax Due:	
			Receipts	Exclusion (b)	Gross Receipts	0.26% Tax and Minimum Tax							
Agriculture, Forestry, and Fishing	111100-115310	5,867	\$5,814,984	\$2,629,826	\$3,185,158	\$8,281	\$880	\$9,161	\$0	\$4	\$9,157		
Mining	211110-213110	730	5,558,688	422,267	5,136,422	13,355	110	13,464	16	123	13,325		
Utilities (excluding telecommunications)	221100-221300	139	17,108,192	87,306	17,020,887	44,254	21	44,275	0	562	43,713		
Construction	236110-238900	14,547	27,785,374	7,223,560	20,561,814	53,461	2,182	55,643	110	0	55,533		
Manufacturing	311110-339900	15,576	171,250,450	10,555,417	160,695,033	417,807	2,336	420,143	23,492	17,315	379,337		
Wholesale Trade	423100-425120	8,712	94,232,316	5,835,579	88,396,737	229,832	1,307	231,138	733	982	229,424		
Retail Trade	441110-454390	19,900	124,086,664	11,525,144	112,561,519	292,660	2,985	295,645	646	20,758	274,241		
Transportation and Warehousing	481000-493100	4,218	14,449,097	2,280,717	12,168,380	31,638	633	32,270	89	1,067	31,114		
Information (including telecommunications)	511110-519100	1,556	26,053,417	917,610	25,135,807	65,353	233	65,586	1,906	726	62,954		
Finance and Insurance	522110-525990	5,578	9,790,384	1,956,308	7,834,075	20,369	837	21,205	0	793	20,412		
Real Estate, and Rental & Leasing of Property	531110-533110	12,835	15,104,501	5,541,611	9,562,890	24,864	1,925	26,789	9	0	26,780		
Professional, Scientific and Technical Services	541110-541990	14,266	35,624,433	7,136,215	28,488,217	74,069	2,140	76,209	455	1,865	73,889		
Management of Companies (Holding Companies)	551111-551112	880	32,358,049	666,957	31,691,092	82,397	132	82,529	1,322	6,310	74,897		
Administrative & Support Services, and Waste Management & Remediation Services	561110-562000	3,825	8,731,646	1,910,161	6,821,485	17,736	574	18,310	155	310	17,844		
Education, Health Care and Social Assistance	611000-624410	12,035	24,452,613	7,056,470	17,396,143	45,230	1,805	47,035	86	0	46,949		
Arts, Entertainment, and Recreation	711100-713900	1,498	2,489,089	694,056	1,795,032	4,667	225	4,892	0	0	4,892		
Accommodation and Food Services	721110-722410	8,335	14,433,018	4,529,381	9,903,637	25,749	1,250	27,000	153	0	26,847		
Other Services	811110-812990	7,835	7,324,039	3,504,176	3,819,863	9,932	1,175	11,107	0	42	11,065		
Unclassified	n/a	16,067	13,215,702	5,989,717	7,225,985	18,788	2,410	21,198	17	140	21,041		
TOTAL		154,399	\$649,862,655	\$80,462,479	\$569,400,176	\$1,480,440	\$23,160	\$1,503,600	\$29,189	\$50,999	\$1,423,412		

(a) The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2011. This is because the table reflects reported tax liability, not actual payments made. In addition, the table reflects information from tax returns posted in the department's database as of the dates when the August 2010, November 2010, February 2011 and May 2011 return data was extracted; any subsequently filed tax returns or subsequent corrections made to previously-filed tax returns are not reflected in this table.

(b) On a quarterly basis, each taxpayer's first \$250,000 in taxable gross receipts is excluded from the 0.26% tax, resulting in an annual exclusion of \$1 million per taxpayer.

(c) The annual minimum tax is \$150. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax.

Fiscal Year 2011 Commercial Activity Tax:

Number of Returns and Reported Financial Data, by Size of Taxable Gross Receipts (a)

Dollar amounts are in 1,000's

Size of FY 2011 Taxable Gross Receipts (b)	Number of Taxpayers	Taxable Gross Receipts	Exclusion (c)	Net Taxable Gross Receipts	Tax at 0.26% Rate	Annual Minimum Tax (d)	Tax Before Credits	Non- refundable Tax Credits	Refundable Tax Credits	Total Tax Due: 0.26% Tax and Minimum Tax
Less than \$1,000,000	108,901	\$36,059,348	\$35,551,808	\$507,540	\$1,320	\$16,335	\$17,655	\$0	\$2,213	\$15,441
\$1,000,000 - \$1,999,999	18,662	26,585,915	18,425,730	8,160,185	21,216	2,799	24,016	23	753	23,240
\$2,000,000 - \$2,999,999	7,812	19,050,137	7,720,844	11,329,293	29,456	1,172	30,628	51	3,085	27,492
\$3,000,000 - \$3,999,999	4,149	14,342,804	4,083,887	10,258,917	26,673	622	27,296	38	21	27,237
\$4,000,000 - \$4,999,999	2,564	11,475,694	2,514,495	8,961,199	23,299	385	23,684	32	15	23,637
\$5,000,000 - \$9,999,999	5,511	38,577,840	5,420,438	33,157,402	86,209	827	87,036	154	884	85,998
\$10,000,000 - \$24,999,999	3,742	57,510,311	3,684,555	53,825,757	139,947	561	140,508	718	2,253	137,538
\$25,000,000 - \$49,999,999	1,470	50,997,765	1,456,284	49,541,481	128,808	221	129,028	842	2,255	125,932
\$50,000,000 - \$99,999,999	778	54,354,450	773,271	53,581,179	139,311	117	139,428	2,051	12,539	124,838
\$100,000,000 - \$499,999,999	680	143,482,986	701,167	142,781,819	371,233	102	371,335	6,638	11,290	353,407
\$500,000,000 - \$999,999,999	72	48,379,411	72,000	48,307,411	125,599	11	125,610	1,406	3,532	120,671
\$1 billion and above	58	149,045,994	58,000	148,987,994	387,369	9	387,377	17,236	12,160	357,981
TOTAL	154,399	\$649,862,655	\$80,462,479	\$569,400,176	\$1,480,440	\$23,160	\$1,503,600	\$29,189	\$50,999	\$1,423,412

(a) The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2010. This is because the table reflects reported tax liability, not actual payments made. In addition, the table reflects information from tax returns posted on the department's database as of the dates when the August 2010, November 2010, February 2011 and May 2011 return data was extracted; any subsequently filed tax returns or subsequent corrections made to previously-filed tax returns are not reflected in this table.

(b) These categories reflect aggregate taxable gross receipts (before exclusion) as reported by taxpayers on returns that were due and filed during fiscal year 2011. For example, a taxpayer whose taxable gross receipts were \$5 million, \$6 million, \$4 million, and \$7 million, on returns filed in August 2010, November 2010, February 2011 and May 2011, respectively, would have total fiscal year 2011 taxable gross receipts of \$22 million, and thereby would be included within the \$10-\$25 million category.

(c) On a quarterly basis, each taxpayer's first \$250,000 in taxable gross receipts is excluded from the 0.26% tax, resulting in an annual exclusion of \$1 million per taxpayer.

(d) The annual minimum tax is \$150. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax.