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**CF-1A, 1B, 2A, & 2B:  
CORPORATION FRANCHISE TAX:**



Tables CF-1, 2, 3, 4, & 5  
Nos. 28 through 36 (2006)  
May 25, 2006

**Number of Corporations and Reported Tax  
Liability by Tax Base, Tax Year 2005**

The attached tables show a total reported tax year 2005 Ohio corporate franchise tax liability after all credits of \$845.3 million. The reported liability before credits (including litter tax) was \$1.04 billion, but tax credits reduced the net liability by \$199.5 million. A total of 93,225 corporations were represented on the 2005 returns, with 19,276 corporations paying the tax based on net income and 27,933 paying the tax based on net worth. The number of corporations paying the \$50 or \$1,000 minimum tax amounted to 46,016. However, 80 percent of the tax liability before credits was based on net income (compared to 76 percent in 2004) and 19 percent was derived from the net worth base (compared to 21 percent in 2004). The remainder of the tax was reported as liability under the minimum tax.

Tables CF-1A and 1B show the number of corporations and the reported total tax liabilities by tax base for each of nine broad industrial classifications. The largest total tax liability was reported by manufacturing corporations, which accounted for 33 percent of the total.

Tables CF-2A and 2B categorize the corporate returns by the size of the reported tax liability per return. The number of corporations and total tax liability are shown for each of the alternative tax bases for 18 tax liability classes.

Returns reporting over \$500,000 in tax liability were responsible for 48 percent of the total reported liability even though they covered less than one percent of total corporations.

The data shown on these tables were compiled from returns filed for tax year 2005 with the Ohio Department of Taxation.

NOTE: These tables do not include data from the tax returns of financial institutions. Data from financial institution returns are shown on a separate table (CF-5).

**CF-3A, 3B, 4A & 4B:  
CORPORATION FRANCHISE  
TAX**

**Number of Manufacturing Corporations and Reported Tax Liability by Tax Base, Tax Year 2005**

These tables show the total reported Ohio corporate franchise tax liability after all credits reported by 10,312 manufacturing corporations for tax year 2005 amounted to \$233.2 million. The reported liability before credits was \$340.0 million, but tax credits reduced the net liability by \$106.8 million. Approximately 81 percent of the manufacturing tax liability was based on net income while 19 percent was paid on the net worth base. The remaining liability was collected from the minimum tax.



Tables CF-3A and 3B show the number of corporations and the reported total tax liabilities by tax base for each of the manufacturing categories.

Tables CF-4A and 4B show the manufacturing returns by the size of the reported tax liability per return. The number of corporations and total tax liability are shown for each of the alternative tax bases for 18 tax liability classes.

The data shown on these tables were compiled from returns filed for tax year 2005 with the Ohio Department of Taxation.

## **CF-5: CORPORATION FRANCHISE TAX**

### **Number of Financial Institutions and Reported Tax Liability by Type of Institution, Tax Year 2005**

This table shows a total Ohio corporate franchise tax liability for financial institutions for tax year 2005 of \$149.7 million, a decrease of 26.4 percent from tax year 2004. Banks, while making up 66 percent of the total number of financial institutions, reported tax liability of \$114.4 million, or 76 percent of the total liability. Savings and loans, making up 26 percent of the total number of financial institutions, reported tax liability of \$34.9 million, or approximately 23 percent of the total liability. The remaining \$0.5 million of tax liability was reported by other types of financial institutions.

Financial institutions are not required to compute their tax liabilities on the two alternative tax bases (net income and net worth) as are other corporations. Financial institutions are subject to a tax on net worth only, but at a rate of 13.0 mills rather than 4.0 mills for other corporations.

**CORPORATION FRANCHISE TAX  
 NUMBER OF CORPORATIONS BY TAX BASE AND  
 INDUSTRY, TAX YEAR 2005**

<u>Industry</u>	<u>Number of Corporations by Tax Base</u>			
	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Agriculture & Forestry	558	514	321	1,393
Mining	278	256	138	672
Construction	4,234	2,978	1,635	8,847
Manufacturing	3,639	4,250	2,423	10,312
Transport, Communication, Utility	2,367	1,323	1,106	4,796
Wholesale Trade	2,414	2,413	1,646	6,473
Retail Trade	5,966	4,470	2,767	13,203
Finance, Insurance, Real Estate	6,697	3,666	2,615	12,978
Services	15,635	7,145	5,696	28,476
Unknown *	<u>4,228</u>	<u>918</u>	<u>929</u>	<u>6,075</u>
<b>TOTAL</b>	<b>46,016</b>	<b>27,933</b>	<b>19,276</b>	<b>93,225</b>

*\* Industry classification was not indicated by taxpayer. The number of corporations appearing in the Unknown category has been greatly reduced from previous years due to updated Industry code data.*

**CORPORATION FRANCHISE TAX  
REPORTED TAX LIABILITY BY TAX BASE AND INDUSTRY  
TAX YEAR 2005**

Industry	<u>Tax Liability Before Litter Tax and Credits By Tax Base</u>					Litter Tax (a)	Total Liability Before Credits	Total Non- Refundable and Refundable Tax Credits	Liability After All Tax Credits
	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>					
Agriculture & Forestry	\$50,700	\$856,147	\$1,901,285	\$2,808,132	\$63,405	\$2,871,537	\$75,776	\$2,795,761	
Mining	45,250	1,657,690	6,824,345	8,527,285	136,866	8,664,151	3,639,125	5,025,026	
Construction	659,150	8,674,023	24,517,264	33,850,437	623,634	34,474,071	1,452,476	33,021,595	
Manufacturing	904,900	61,385,425	273,827,659	336,117,984	3,870,984	339,988,968	106,776,168	233,212,800	
Transport, Communication, Utility	471,750	16,136,247	181,268,399	197,876,396	1,018,315	198,894,711	40,096,532	158,798,179	
Wholesale Trade	465,550	14,780,061	80,708,071	95,953,682	1,312,324	97,266,006	8,771,938	88,494,068	
Retail Trade	1,114,350	22,611,156	88,238,911	111,964,417	1,771,028	113,735,445	8,229,224	105,506,221	
Finance, Insurance, Real Estate	1,020,750	23,835,133	53,464,054	78,319,937	1,396,795	79,716,732	13,174,402	66,542,330	
Services	2,364,450	36,118,408	109,894,008	148,376,865	2,540,388	150,917,253	15,442,008	135,475,245	
Unknown (b)	<u>679,750</u>	<u>7,682,670</u>	<u>9,439,525</u>	<u>17,801,945</u>	<u>449,805</u>	<u>18,251,750</u>	<u>1,824,385</u>	<u>16,427,365</u>	
<b>TOTAL</b>	<b>\$7,776,600</b>	<b>\$193,736,960</b>	<b>\$830,083,521</b>	<b>\$1,031,597,081</b>	<b>\$13,183,544</b>	<b>\$1,044,780,624</b>	<b>\$199,482,034</b>	<b>\$845,298,590</b>	

(a) Combines Tier One of litter tax, which is paid by all corporations, and Tier Two of litter tax, which is paid only by "litter stream" corporations.

(b) Industry classification was not indicated by taxpayer. The number and liability of corporations appearing in the Unknown category has been greatly reduced from previous years due to updated Industry code data.

**CORPORATION FRANCHISE TAX  
 NUMBER OF CORPORATIONS BY TAX BASE AND  
 TAX LIABILITY CLASS, TAX YEAR 2005**

<u>Tax Liability Class</u>	<u>Number of Corporations by Tax Base</u>			
	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Minimum (\$50 or \$1,000)	46,016	--	--	46,016
\$51 - 1,000	--	14,625	6,205	20,830
1,001 - 2,000	--	4,579	3,252	7,831
2,001 - 3,000	--	2,049	1,689	3,738
3,001 - 4,000	--	1,093	806	1,899
4,001 - 5,000	--	764	690	1,454
5,001 - 10,000	--	1,666	1,886	3,552
10,001 - 15,000	--	743	948	1,691
15,001 - 20,000	--	378	563	941
20,001 - 25,000	--	273	359	632
25,001 - 30,000	--	209	290	499
30,001 - 35,000	--	176	249	425
35,001 - 50,000	--	329	501	830
50,001 - 100,000	--	450	707	1,157
100,001 - 200,000	--	599	469	1,068
200,001 - 500,000	--	--	406	406
500,001 - 1,000,000	--	--	141	141
Over \$1,000,000	--	--	<u>115</u>	<u>115</u>
TOTAL	46,016	27,933	19,276	93,225

**CORPORATION FRANCHISE TAX  
REPORTED TAX LIABILITY BY TAX BASE AND TAX LIABILITY  
TAX YEAR 2005**

<u>Tax Liability Before Litter Tax and Credits By Tax Base</u>						<u>Total Liability Before Credits</u>	<u>Total Non-Refundable and Refundable Tax Credits</u>	<u>Liability After All Tax Credits</u>
<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>	<u>Litter Tax*</u>			
Minimum (\$50 or \$1,000)	\$7,776,600	--	--	\$7,776,600	--	\$7,776,600	\$5,351,224	\$2,425,376
\$51 - 1,000	--	\$4,996,461	\$2,478,790	7,475,250	\$229,829	7,705,079	139,136	7,565,943
1,001 - 2,000	--	6,197,217	4,539,442	10,736,659	305,434	11,042,093	459,211	10,582,882
2,001 - 3,000	--	4,854,837	4,014,639	8,869,476	254,854	9,124,330	498,106	8,626,224
3,001 - 4,000	--	3,654,952	2,738,069	6,393,021	187,399	6,580,420	454,788	6,125,632
4,001 - 5,000	--	3,303,786	3,024,902	6,328,688	180,411	6,509,099	685,583	5,823,516
5,001 - 10,000	--	11,357,211	13,162,334	24,519,545	691,937	25,211,482	2,364,595	22,846,888
10,001 - 15,000	--	8,763,636	11,364,733	20,128,369	571,762	20,700,131	2,007,206	18,692,925
15,001 - 20,000	--	6,283,418	9,540,832	15,824,250	444,145	16,268,395	1,908,217	14,360,178
20,001 - 25,000	--	5,916,826	7,783,255	13,700,081	378,436	14,078,517	1,716,890	12,361,627
25,001 - 30,000	--	5,561,100	7,775,764	13,336,864	358,730	13,695,594	1,505,665	12,189,929
30,001 - 35,000	--	5,577,083	7,874,869	13,451,952	368,602	13,820,554	1,431,953	12,388,601
35,001 - 50,000	--	13,471,437	20,510,439	33,981,876	898,622	34,880,498	4,660,231	30,220,267
50,001 - 100,000	--	30,327,066	48,861,962	79,189,028	2,055,165	81,244,193	12,746,680	68,497,513
100,001 - 200,000	--	83,471,930	63,886,136	147,358,066	3,483,193	150,841,259	44,655,368	106,185,891
200,001 - 500,000	--	--	124,911,660	124,911,660	1,775,830	126,687,490	27,196,534	99,490,956
500,001 - 1,000,000	--	--	99,651,662	99,651,662	558,830	100,210,492	19,478,966	80,731,526
Over \$1,000,000	--	--	<u>397,964,033</u>	<u>397,964,033</u>	<u>440,365</u>	<u>398,404,398</u>	<u>72,221,681</u>	<u>326,182,717</u>
<b>Total</b>	<b>\$7,776,600</b>	<b>\$193,736,960</b>	<b>\$830,083,521</b>	<b>\$1,031,597,081</b>	<b>\$13,183,544</b>	<b>\$1,044,780,624</b>	<b>\$199,482,034</b>	<b>\$845,298,590</b>

\*Combines Tier One of litter tax, which is paid by all corporations, and Tier Two of litter tax, which is paid only by "litter stream" corporations.

**CORPORATION FRANCHISE TAX  
 NUMBER OF MANUFACTURING CORPORATIONS,  
 BY TAX BASE AND INDUSTRY  
 TAX YEAR 2005**

<u>Industry</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Food	188	206	157	551
Tobacco Manufactures	4	2	5	11
Apparel and Other Textiles	73	63	39	175
Lumber and Wood Products	129	154	82	365
Paper	78	102	46	226
Printing and Publishing	256	284	133	673
Chemicals	250	306	215	771
Petroleum and Coal	40	39	27	106
Rubber and Plastics	232	267	163	662
Leather Products	9	11	4	24
Stone, Clay & Glass Products	108	158	91	357
Primary Metal	153	152	99	404
Fabricated Metal	789	1,066	546	2,401
Machinery (non-electrical)	379	448	208	1,035
Electrical Machinery	316	336	173	825
Transportation Equipment	130	140	106	376
Miscellaneous Manufacturing	<u>505</u>	<u>516</u>	<u>329</u>	<u>1,350</u>
Total	3,639	4,250	2,423	10,312

**CORPORATION FRANCHISE TAX  
REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,  
BY TAX BASE AND INDUSTRY CLASSIFICATION  
TAX YEAR 2005**

<u>Industry</u>	<u>Tax Liability Before Litter Tax and Credits by Tax Base</u>					<u>Litter Tax*</u>	<u>Total Liability Before Credits</u>	<u>Total Non-Refundable and Refundable Tax Credits</u>	<u>Liability After All Tax Credits</u>
	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>					
Food	\$57,850	\$4,114,645	\$34,846,371	\$39,018,866	\$337,832	\$39,356,698	\$8,318,915	\$31,037,783	
Tobacco Manufactures	200	163,982	9,016,701	9,180,883	34,373	9,215,256	917,476	8,297,780	
Apparel and Other Textiles	19,800	579,450	1,167,775	1,767,025	42,667	1,809,692	72,318	1,737,374	
Lumber and Wood Products	23,550	1,115,019	3,538,802	4,677,371	81,840	4,759,211	1,615,431	3,143,780	
Paper	21,000	2,461,419	1,901,546	4,383,965	101,678	4,485,643	3,346,000	1,139,643	
Printing and Publishing	40,350	2,218,900	6,872,462	9,131,712	147,734	9,279,446	2,711,507	6,567,939	
Chemicals	96,100	9,132,497	73,050,002	82,278,599	547,888	82,826,487	10,707,068	72,119,419	
Petroleum and Coal	12,450	1,079,749	12,275,097	13,367,296	60,004	13,427,300	4,837,226	8,590,074	
Rubber and Plastics	57,200	3,902,048	7,732,350	11,691,598	260,555	11,952,153	3,958,304	7,993,849	
Leather Products	4,250	177,022	29,312	210,584	6,924	217,508	6,199	211,309	
Stone, Clay & Glass Products	25,350	2,626,913	4,954,492	7,606,755	149,351	7,756,106	4,148,625	3,607,481	
Primary Metal	39,950	3,200,064	14,673,232	17,913,246	193,565	18,106,811	9,752,276	8,354,535	
Fabricated Metal	157,250	7,415,577	25,300,901	32,873,728	540,436	33,414,164	10,766,133	22,648,031	
Machinery (non-electrical)	103,500	5,278,326	8,627,705	14,009,531	286,054	14,295,585	4,258,832	10,036,753	
Electrical Machinery	86,100	5,855,722	18,788,125	24,729,947	344,642	25,074,589	7,866,404	17,208,185	
Transportation Equipment	44,500	5,200,200	29,450,099	34,694,799	310,409	35,005,208	27,731,189	7,274,019	
Miscellaneous Manufacturing	<u>115,500</u>	<u>6,863,892</u>	<u>21,602,687</u>	<u>28,582,079</u>	<u>425,032</u>	<u>29,007,111</u>	<u>5,762,265</u>	<u>23,244,846</u>	
<b>TOTAL</b>	<b>\$904,900</b>	<b>\$61,385,425</b>	<b>\$273,827,659</b>	<b>\$336,117,984</b>	<b>\$3,870,984</b>	<b>\$339,988,968</b>	<b>\$106,776,168</b>	<b>\$233,212,800</b>	

\*Tier One of litter tax is paid by all corporations. Tier Two of litter tax is paid only by "litter stream" corporations.

**CORPORATION FRANCHISE TAX  
 NUMBER OF MANUFACTURING CORPORATIONS  
 BY TAX BASE AND TAX LIABILITY CLASS  
 TAX YEAR 2005**

<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Minimum (\$50 or \$1,000)	3,639	--	--	3,639
\$51 - 1,000	--	1,357	335	1,692
1,001 - 2,000	--	782	317	1,099
2,001 - 3,000	--	380	165	545
3,001 - 4,000	--	216	96	312
4,001 - 5,000	--	173	92	265
5,001 - 10,000	--	367	296	663
10,001 - 15,000	--	188	164	352
15,001 - 20,000	--	117	109	226
20,001 - 25,000	--	80	73	153
25,001 - 30,000	--	66	61	127
30,001 - 35,000	--	42	47	89
35,001 - 50,000	--	115	96	211
50,001 - 100,000	--	136	182	318
100,001 - 200,000	--	231	141	372
200,001 - 500,000	--	--	142	142
500,001 - 1,000,000	--	--	59	59
Over \$1,000,000	--	--	<u>48</u>	<u>48</u>
Total	3,639	4,250	2,423	10,312

**CORPORATION FRANCHISE TAX  
REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,  
BY TAX BASE AND TAX LIABILITY CLASS  
TAX YEAR 2005**

<u>Tax Liability Before Litter Tax and Credits By Tax Base</u>						<b>Total Liability Before Credits</b>	<b>Total Non- Refundable and Refundable Tax Credits</b>	<b>Liability After All Tax Credits</b>
<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>	<u>Litter Tax*</u>			
Minimum (\$50 or \$1,000)	\$904,900	--	--	\$904,900	--	\$904,900	\$639,192	\$265,708
\$51 - 1,000	--	529,518	135,799	665,317	21,185	686,502	61,940	624,562
1,001 - 2,000	--	1,054,746	445,568	1,500,314	44,650	1,544,964	205,141	1,339,823
2,001 - 3,000	--	899,759	392,888	1,292,647	39,704	1,332,351	196,541	1,135,810
3,001 - 4,000	--	726,309	326,013	1,052,322	32,374	1,084,696	212,429	872,267
4,001 - 5,000	--	748,811	403,301	1,152,112	34,414	1,186,526	293,951	892,575
5,001 - 10,000	--	2,517,216	2,067,372	4,584,588	137,143	4,721,731	1,007,860	3,713,871
10,001 - 15,000	--	2,200,427	1,953,206	4,153,633	122,278	4,275,911	1,086,208	3,189,703
15,001 - 20,000	--	1,936,441	1,870,740	3,807,181	111,174	3,918,355	1,000,014	2,918,341
20,001 - 25,000	--	1,722,948	1,606,224	3,329,172	93,209	3,422,381	950,632	2,471,749
25,001 - 30,000	--	1,745,415	1,645,680	3,391,095	97,209	3,488,304	652,339	2,835,965
30,001 - 35,000	--	1,335,437	1,483,787	2,819,224	80,087	2,899,311	621,979	2,277,332
35,001 - 50,000	--	4,673,986	4,013,234	8,687,220	245,877	8,933,097	2,093,065	6,840,032
50,001 - 100,000	--	9,247,976	12,663,115	21,911,091	558,506	22,469,597	6,296,128	16,173,469
100,001 - 200,000	--	32,046,436	19,394,658	51,441,094	1,264,768	52,705,862	29,629,475	23,076,387
200,001 - 500,000	--	--	44,783,993	44,783,993	576,964	45,360,957	16,566,543	28,794,414
500,001 - 1,000,000	--	--	43,442,123	43,442,123	219,508	43,661,631	13,297,979	30,363,652
Over \$1,000,000	--	--	<u>137,199,958</u>	<u>137,199,958</u>	<u>191,934</u>	<u>137,391,892</u>	<u>31,964,752</u>	<u>105,427,140</u>
Total	\$904,900	\$61,385,425	\$273,827,659	\$336,117,984	\$3,870,984	\$339,988,968	\$106,776,168	\$233,212,800

\*Combines Tier One litter tax, which is paid by all corporations, and Tier Two litter tax, which is paid only by "litter stream" corporations.

**CORPORATION FRANCHISE TAX  
NUMBER OF FINANCIAL INSTITUTIONS AND REPORTED TAX LIABILITY,  
BY TYPE OF INSTITUTION  
TAX YEAR 2005**

<u>Tax Liability Class</u>	<u>Number of Corporations by Type</u>				<u>Tax Liability Before Credits by Type</u>				<u>Refundable &amp; Nonrefundable Tax Credits</u>
	<u>Banks</u>	<u>Savings &amp; Loans</u>	<u>Other *</u>	<u>Total</u>	<u>Banks</u>	<u>Savings &amp; Loans</u>	<u>Other *</u>	<u>Total</u>	
Minimum (\$50 or \$1,000)	9	1	1	11	\$6,150	\$50	\$50	\$6,250	\$95,133
\$51 - 1,000	1	3	11	15	91	1,379	1,551	3,021	3,243
1,001 - 2,000	2	1	9	12	2,689	1,000	9,040	12,729	1,954
2,001 - 3,000	3	2	1	6	7,198	4,878	2,158	14,234	--
3,001 - 4,000	4	--	--	4	12,944	--	--	12,944	--
4,001 - 5,000	2	--	--	2	8,940	--	--	8,940	--
5,001 - 10,000	4	--	--	4	25,609	--	--	25,609	--
10,001 - 15,000	11	1	--	12	129,870	11,459	--	141,329	--
15,001 - 20,000	5	1	3	9	88,454	17,869	52,743	159,066	41,642
20,001 - 25,000	4	--	--	4	84,982	--	--	84,982	--
25,001 - 30,000	7	1	2	10	191,465	29,168	56,550	277,183	4,056
30,001 - 35,000	4	1	--	5	133,057	33,029	--	166,086	--
35,001 - 50,000	13	10	2	25	557,626	424,618	76,006	1,058,250	57,624
50,001 - 100,000	49	21	1	71	3,588,398	1,619,891	51,623	5,259,912	237,183
100,001 - 200,000	65	24	--	89	9,303,875	3,437,766	--	12,741,641	250,054
200,001 - 500,000	47	22	1	70	14,837,525	7,108,343	202,922	22,148,790	844,630
500,001 - 1,000,000	19	8	--	27	12,612,757	5,731,598	--	18,344,355	558,593
Over \$1,000,000	<u>12</u>	<u>6</u>	--	<u>18</u>	<u>72,768,384</u>	<u>16,489,666</u>	--	<u>89,258,050</u>	<u>22,625,240</u>
TOTAL	261	102	31	394	\$114,360,014	\$34,910,714	\$452,643	\$149,723,371	\$24,719,352

\* Primarily credit agencies that accept deposits.