

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



Tables CF-1, 2, 3, 4, & 5
Nos. 28 through 36 (2003)
April 25, 2003

Number of Corporations and Reported Tax Liability by Tax Base, Tax Year 2002

The attached tables show a total reported tax year 2002 Ohio corporate franchise tax liability after all credits of \$621.5 million. The reported liability before credits (including litter tax) was \$763.7 million, but tax credits reduced the net liability by \$142.2 million. A total of 101,411 corporations were represented on the 2002 returns, with 21,462 corporations paying the tax based on net income and 33,548 paying the tax based on net worth. The number of corporations paying the \$50 minimum tax amounted to 46,401. However, 75 percent of the tax liability before credits was based on net income (compared to 77 percent in 2001) and 25 percent was derived from the net worth base (compared to 22 percent in 2001). 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 27 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 39 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 2002 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 2002

These tables show the total reported Ohio corporate franchise tax liability after all credits reported by 10,565 manufacturing corporations for tax year 2002 amounted to \$166.4 million. The reported liability before credits was \$235.5 million, but tax credits reduced the net liability by \$69.1 million. Approximately 73 percent of the manufacturing tax liability was based on net income while 27 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 2002 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 2002

This table shows a total Ohio corporate franchise tax liability for financial institutions for tax year 2002 of \$157.9 million, a decrease of 12.1 percent from tax year

2001. Banks, while making up 60 percent of the total number of financial institutions, reported tax liability of \$120.5 million, or 76 percent of the total liability. Savings and loans, making up 28 percent of the total number of financial institutions, reported tax liability of \$35.3 million, or approximately 22 percent of the total liability. The remaining \$2.2 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 2002**

<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	322	466	314	1,102
Mining	260	306	133	699
Construction	2,398	2,783	1,719	6,900
Manufacturing	3,114	5,164	2,287	10,565
Transport, Communication, Utility	1,333	1,207	613	3,153
Wholesale Trade	1,750	2,861	1,612	6,223
Retail Trade	3,010	4,004	2,146	9,160
Finance, Insurance, Real Estate	3,804	3,015	1,982	8,801
Services	9,982	6,716	4,280	20,978
Unknown*	<u>20,428</u>	<u>7,026</u>	<u>6,376</u>	<u>33,830</u>
TOTAL	46,401	33,548	21,462	101,411

**Industry classification was not indicated by the taxpayer.*

**CORPORATION FRANCHISE TAX
REPORTED TAX LIABILITY BY TAX BASE AND INDUSTRY
TAX YEAR 2002**

<u>Industry</u>	<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>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>	<u>Litter Tax (a)</u>			
Agriculture & Forestry	\$16,100	\$817,691	\$1,244,832	\$2,078,623	\$47,175	\$2,125,798	\$90,490	\$2,035,308
Mining	13,000	2,926,638	3,540,463	6,480,101	154,211	6,634,312	1,565,751	5,068,561
Construction	119,900	5,468,926	21,231,205	26,820,031	527,046	27,347,077	190,146	27,156,931
Manufacturing	155,700	62,792,926	168,890,531	231,839,157	3,684,762	235,523,919	69,127,878	166,396,041
Transport, Communication, Utility	66,650	9,836,555	116,533,437	126,436,642	554,514	126,991,156	32,780,994	94,210,162
Wholesale Trade	87,500	15,385,793	50,758,045	66,231,338	1,124,879	67,356,217	7,269,277	60,086,940
Retail Trade	150,500	11,631,228	52,679,809	64,461,537	1,061,852	65,523,389	2,968,472	62,554,917
Finance, Insurance, Real Estate	190,200	16,730,909	28,087,315	45,008,424	926,853	45,935,277	6,733,730	39,201,547
Services	499,100	18,133,607	40,328,226	58,960,933	1,296,276	60,257,209	6,055,106	54,202,103
Unknown (b)	<u>1,021,400</u>	<u>43,747,686</u>	<u>78,587,083</u>	<u>123,356,169</u>	<u>2,619,545</u>	<u>125,975,714</u>	<u>15,416,650</u>	<u>110,559,064</u>
Total	\$2,320,050	\$187,471,959	\$561,880,946	\$751,672,955	\$11,997,113	\$763,670,068	\$142,198,494	\$621,471,574

(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.

**CORPORATION FRANCHISE TAX
NUMBER OF CORPORATIONS BY TAX BASE AND
TAX LIABILITY CLASS, TAX YEAR 2002**

<u>Number of Corporations by Tax Base</u>					
<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>	
Minimum	46,401	--	--	46,401	
\$51 - 1,000	--	19,412	8,292	27,704	
1,001 - 2,000	--	4,753	3,476	8,229	
2,001 - 3,000	--	2,323	2,046	4,369	
3,001 - 4,000	--	1,306	963	2,269	
4,001 - 5,000	--	822	747	1,569	
5,001 - 10,000	--	1,800	1,904	3,704	
10,001 - 15,000	--	746	859	1,605	
15,001 - 20,000	--	446	530	976	
20,001 - 25,000	--	288	380	668	
25,001 - 30,000	--	219	252	471	
30,001 - 35,000	--	150	229	379	
35,001 - 50,000	--	324	447	771	
50,001 - 100,000	--	447	588	1,035	
100,001 - 200,000	--	512	325	837	
200,001 - 500,000	--	--	268	268	
500,001 - 1,000,000	--	--	89	89	
Over \$1,000,000	--	--	<u>67</u>	<u>67</u>	
TOTAL	46,401	33,548	21,462	101,411	

**CORPORATION FRANCHISE TAX
REPORTED TAX LIABILITY BY TAX BASE AND TAX LIABILITY
TAX YEAR 2002**

<u>Tax Liability Before Litter Tax and Credits By Tax Base</u>						Total Liability Before Credits	Total Non- Refundable and Refundable Tax Credits	Liability After All Tax Credits
<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>	<u>Litter Tax*</u>			
Minimum	\$2,320,050	--	--	\$2,320,050	--	\$2,320,050	\$4,845,015	-\$2,524,965
\$51 - 1,000	--	\$6,872,232	\$3,484,500	10,356,732	\$309,251	10,665,983	167,599	10,498,384
1,001 - 2,000	--	6,769,249	5,072,782	11,842,031	343,250	12,185,281	1,679,602	10,505,679
2,001 - 3,000	--	5,719,070	4,919,788	10,638,858	306,491	10,945,349	556,227	10,389,122
3,001 - 4,000	--	4,352,817	3,275,087	7,627,904	224,316	7,852,220	444,593	7,407,627
4,001 - 5,000	--	3,556,043	3,278,004	6,834,047	199,204	7,033,251	1,429,330	5,603,921
5,001 - 10,000	--	12,375,043	13,144,677	25,519,720	740,274	26,259,994	2,196,438	24,063,556
10,001 - 15,000	--	8,994,169	10,258,236	19,252,405	558,936	19,811,341	1,632,324	18,179,017
15,001 - 20,000	--	7,406,886	9,023,417	16,430,303	468,317	16,898,620	1,757,414	15,141,206
20,001 - 25,000	--	6,196,102	8,256,765	14,452,867	415,385	14,868,252	1,634,018	13,234,234
25,001 - 30,000	--	5,925,079	6,753,937	12,679,016	350,070	13,029,086	1,670,135	11,358,951
30,001 - 35,000	--	4,690,551	7,269,413	11,959,964	350,621	12,310,585	1,132,260	11,178,325
35,001 - 50,000	--	13,223,276	18,348,517	31,571,793	885,900	32,457,693	5,529,237	26,928,456
50,001 - 100,000	--	30,067,768	40,317,160	70,384,928	1,924,479	72,309,407	9,482,942	62,826,465
100,001 - 200,000	--	71,323,674	44,111,263	115,434,937	2,992,659	118,427,596	34,378,891	84,048,705
200,001 - 500,000	--	--	79,688,392	79,688,392	1,233,287	80,921,679	13,192,044	67,729,635
500,001 - 1,000,000	--	--	60,209,695	60,209,695	390,865	60,600,560	10,041,753	50,558,807
Over \$1,000,000	--	--	<u>244,469,313</u>	<u>244,469,313</u>	<u>303,808</u>	<u>244,773,121</u>	<u>50,428,672</u>	<u>194,344,449</u>
TOTAL	\$2,320,050	\$187,471,959	\$561,880,946	\$751,672,955	\$11,997,113	\$763,670,068	\$142,198,494	\$621,471,574

*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 2002**

<u>Industry</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Food	153	221	165	539
Tobacco Manufactures	6	3	5	14
Apparel and Other Textiles	86	107	48	241
Lumber and Wood Products	145	209	116	470
Paper	98	148	58	304
Printing and Publishing	270	384	161	815
Chemicals	225	370	169	764
Petroleum and Coal	34	40	21	95
Rubber and Plastics	205	323	147	675
Leather Products	9	14	3	26
Stone, Clay & Glass Products	120	209	133	462
Primary Metal	88	176	47	311
Fabricated Metal	601	1,262	520	2,383
Machinery (non-electrical)	351	599	214	1,164
Electrical Machinery	249	372	149	770
Transportation Equipment	114	164	72	350
Miscellaneous Manufacturing	<u>360</u>	<u>563</u>	<u>259</u>	<u>1,182</u>
TOTAL	3,114	5,164	2,287	10,565

**CORPORATION FRANCHISE TAX
REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND INDUSTRY CLASSIFICATION
TAX YEAR 2002**

<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	\$7,650	\$3,740,401	\$24,379,356	\$28,127,407	\$343,751	\$28,471,158	\$5,892,776	\$22,578,382	
Tobacco Manufactures	300	12,595	13,694,812	13,707,707	38,362	13,746,069	--	13,746,069	
Apparel and Other Textiles	4,300	660,202	1,240,529	1,905,031	47,147	1,952,178	183,127	1,769,051	
Lumber and Wood Products	7,250	1,541,011	1,803,697	3,351,958	85,496	3,437,454	735,261	2,702,193	
Paper	4,900	2,791,190	3,507,686	6,303,776	137,197	6,440,973	3,119,174	3,321,799	
Printing and Publishing	13,500	2,731,608	9,520,609	12,265,717	217,531	12,483,248	2,523,601	9,959,647	
Chemicals	11,250	8,752,376	21,578,663	30,342,289	425,583	30,767,872	5,804,508	24,963,364	
Petroleum and Coal	1,700	1,132,877	2,770,780	3,905,357	61,176	3,966,533	1,470,343	2,496,190	
Rubber and Plastics	10,250	3,040,418	5,966,434	9,017,102	199,281	9,216,383	3,063,936	6,152,447	
Leather Products	450	226,623	34,536	261,609	8,791	270,400	1,181	269,219	
Stone, Clay & Glass Products	6,000	2,967,352	4,423,866	7,397,218	164,933	7,562,151	2,932,812	4,629,339	
Primary Metal	4,400	3,313,717	4,228,186	7,546,303	155,234	7,701,537	4,051,166	3,650,371	
Fabricated Metal	30,050	7,841,021	20,277,732	28,148,803	541,008	28,689,811	9,060,707	19,629,104	
Machinery (non-electrical)	17,550	4,905,892	6,819,456	11,742,898	279,772	12,022,670	2,502,896	9,519,774	
Electrical Machinery	12,450	6,948,463	19,269,866	26,230,779	353,176	26,583,955	5,635,476	20,948,479	
Transportation Equipment	5,700	5,068,955	16,227,109	21,301,764	250,746	21,552,510	17,982,303	3,570,207	
Miscellaneous Manufacturing	<u>18,000</u>	<u>7,118,225</u>	<u>13,147,214</u>	<u>20,283,439</u>	<u>375,578</u>	<u>20,659,017</u>	<u>4,168,611</u>	<u>16,490,406</u>	
TOTAL	\$155,700	\$62,792,926	\$168,890,531	\$231,839,157	\$3,684,762	\$235,523,919	\$69,127,878	\$166,396,041	

*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 2002**

<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</u>
Minimum	3,114	--	--	3,114
\$51 - 1,000	--	1,949	439	2,388
1,001 - 2,000	--	812	275	1,087
2,001 - 3,000	--	433	180	613
3,001 - 4,000	--	268	94	362
4,001 - 5,000	--	190	94	284
5,001 - 10,000	--	492	229	721
10,001 - 15,000	--	190	146	336
15,001 - 20,000	--	141	98	239
20,001 - 25,000	--	94	88	182
25,001 - 30,000	--	51	43	94
30,001 - 35,000	--	54	47	101
35,001 - 50,000	--	121	108	229
50,001 - 100,000	--	164	170	334
100,001 - 200,000	--	205	104	309
200,001 - 500,000	--	--	102	102
500,001 - 1,000,000	--	--	41	41
Over \$1,000,000	--	--	<u>29</u>	<u>29</u>
TOTAL	3,114	5,164	2,287	10,565

**CORPORATION FRANCHISE TAX
REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND TAX LIABILITY CLASS
TAX YEAR 2002**

<u>Tax Liability Before Litter Tax and Credits By Tax Base</u>							Total Liability Before Credits	Total Non- Refundable and Refundable Tax Credits	Liability After All Tax Credits
<u>Tax Liability Class</u>	<u>Minimum</u>	<u>Net Worth</u>	<u>Net Income</u>	<u>Total</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>	
Minimum	\$155,700	--	--	\$155,700	--	\$155,700	\$943,408	-\$787,708	
\$51 - 1,000	--	\$802,854	\$199,120	1,001,974	\$32,156	1,034,130	88,285	945,845	
1,001 - 2,000	--	1,173,405	406,105	1,579,510	49,627	1,629,137	193,639	1,435,498	
2,001 - 3,000	--	1,022,702	430,048	1,452,750	45,297	1,498,047	279,467	1,218,580	
3,001 - 4,000	--	896,870	325,131	1,222,001	38,302	1,260,303	226,515	1,033,788	
4,001 - 5,000	--	819,923	415,942	1,235,865	37,497	1,273,362	254,134	1,019,228	
5,001 - 10,000	--	3,382,383	1,644,211	5,026,594	153,474	5,180,068	1,235,709	3,944,359	
10,001 - 15,000	--	2,328,839	1,720,779	4,049,618	116,745	4,166,363	922,379	3,243,984	
15,001 - 20,000	--	2,335,162	1,728,081	4,063,243	117,306	4,180,549	1,408,619	2,771,930	
20,001 - 25,000	--	2,036,217	1,928,691	3,964,908	117,541	4,082,449	1,026,886	3,055,563	
25,001 - 30,000	--	1,341,933	1,168,359	2,510,292	72,853	2,583,145	979,375	1,603,770	
30,001 - 35,000	--	1,677,653	1,494,822	3,172,475	100,384	3,272,859	736,635	2,536,224	
35,001 - 50,000	--	4,941,821	4,471,153	9,412,974	263,773	9,676,747	2,946,702	6,730,045	
50,001 - 100,000	--	11,176,712	11,738,743	22,915,455	642,115	23,557,570	6,090,726	17,466,844	
100,001 - 200,000	--	28,856,452	14,257,634	43,114,086	1,128,564	44,242,650	20,822,824	23,419,826	
200,001 - 500,000	--	--	30,243,374	30,243,374	473,116	30,716,490	7,650,698	23,065,792	
500,001 - 1,000,000	--	--	28,920,633	28,920,633	161,673	29,082,306	6,943,362	22,138,944	
Over \$1,000,000	--	--	67,797,705	67,797,705	134,339	67,932,044	16,378,515	51,553,529	
TOTAL	\$155,700	\$62,792,926	\$168,890,531	\$231,839,157	\$3,684,762	\$235,523,919	\$69,127,878	\$166,396,041	

*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 2002**

<u>Tax Liability Class</u>	<u>Number of Corporations By Type</u>				<u>Tax Liability By Type</u>				<u>Refundable & Nonrefundable Tax Credits</u>
	<u>Banks</u>	<u>Savings & Loans</u>	<u>Other *</u>	<u>Total</u>	<u>Banks</u>	<u>Savings & Loans</u>	<u>Other *</u>	<u>Total</u>	
\$51 - 1,000	16	7	31	54	\$3,064	\$377	\$2,808	\$6,249	--
1,001 - 2,000	--	--	--	--	--	--	--	--	--
2,001 - 3,000	--	--	2	2	--	--	5,003	5,003	--
3,001 - 4,000	4	--	--	4	14,357	--	--	14,357	--
4,001 - 5,000	2	--	1	3	8,622	--	4,283	12,905	--
5,001 - 10,000	7	1	3	11	45,969	5,973	19,326	71,268	--
10,001 - 15,000	6	3	2	11	80,664	39,970	27,621	148,255	\$1,877
15,001 - 20,000	3	1	2	6	51,907	15,831	32,471	100,209	--
20,001 - 25,000	4	1	--	5	88,641	24,622	--	113,263	5,744
25,001 - 30,000	1	2	--	3	28,704	52,353	--	81,057	4,690
30,001 - 35,000	5	2	--	7	161,151	65,728	--	226,879	4,446
35,001 - 50,000	19	8	3	30	767,718	331,251	113,470	1,212,439	8,719
50,001 - 100,000	65	29	4	98	4,763,975	2,172,242	249,125	7,185,342	29,389
100,001 - 200,000	48	26	2	76	6,829,076	3,772,948	358,753	10,960,777	218,424
200,001 - 500,000	47	26	--	73	14,475,665	8,065,532	--	22,541,197	214,539
500,001 - 1,000,000	16	8	--	24	11,429,135	5,620,561	--	17,049,696	596,344
Over \$1,000,000	13	5	1	19	81,720,135	15,093,097	1,367,258	98,180,490	616,745
TOTAL	256	119	51	426	\$120,468,783	\$35,260,485	\$2,180,118	\$157,909,386	\$1,700,917

* Primarily credit agencies that accept deposits.