

OHIO's



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Ohio Department of Taxation

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Comments from the commissioner

Tax Amnesty Program Offers a Second Chance



Commissioner Wilkins

I would like to encourage all taxpayers who have fallen behind on their obligations to the state to take advantage of Ohio's up-

coming tax amnesty program early next year.

The program begins January 1, 2006 and extends through February 15, 2006.

The Ohio Department of Taxation's (ODT) new Tax Discovery Division, which became permanent just last April, will be running the program with help from other divisions and the taxpayer service centers at the department.

The amnesty program will apply to personal property, corporation franchise, sales and use, pass-through entity, employer withholding, school district withholding, personal income and school district income taxes.

By paying delinquent taxes in full and one-half of any interest that has accrued, amnesty participants will be entitled to have any applicable penalties



waived as well as the other half of the interest owed.

Participants will also be immune to any criminal or civil action with respect to the taxes paid. The 2006 amnesty period will be quite a bit shorter than the last effort a few years ago - six weeks this time compared to three months last time.

As we prepare for the tax amnesty effort, we know that getting the word out about the existence of the program is the key to making it successful. Young Isaac, Inc., a marketing firm out of

Columbus, is assisting ODT in promoting the tax amnesty program.

Part of our message will be: If you have a liability, take advantage of the amnesty program because the department is moving towards enhanced penalties for taxpayers found to have a tax liability that they have failed to address.

I urge everyone eligible to take advantage of this program while it is avail-

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able. A tax amnesty Web site has also been created to provide direct information to taxpayers and practitioners about the program. Please visit the site at www.taxamnestyohio.com. Taxpayers may also call 1-800-304-3211 toll free to have questions answered about the amnesty program.

CAT Registration Deadline is November 15: Businesses Can Go Online to Meet Requirement

Companies doing business in Ohio are being urged to register by the November 15 deadline for the new Commercial Activity Tax (CAT). The tax on business is being phased in over five years while two other business taxes – the corporation franchise and tangible personal property taxes – are being phased out for most businesses.

Ohio-based companies with more than \$150,000 in taxable gross receipts in a calendar year and out-of-state companies doing business in Ohio must register for the tax under provisions of the state's most recent two-year budget bill which took effect July 1.

“We anticipate most Ohio business taxpayers will register on time. For most, this means they must register by November 15,” Ohio Tax Commissioner William W. Wilkins stated. “We’ve worked to make the process as easy as possible by setting up two options for online registration. Taxpayers can register either through the Ohio Business Gateway (obg.ohio.gov) or the Ohio Department of Taxation Web site (tax.ohio.gov).”

There is a one-time fee for registration of \$15 for online registration or \$20 for a paper registration. Businesses with multiple member companies pay the fee for each company but no more than \$200. The fee is given as a full credit when the taxpayer files its first return. (Scannable paper registration forms are available by calling ODT at 1-800-282-1782.)

The CAT is a broad-based, low-rate tax on a business' gross receipts. It applies to both in-state and out-of-state businesses and, in general, is based on gross receipts from the sale of property or the benefit of services received in Ohio. For the first semi-annual period from July 1 to December 31, 2005, the CAT rate will be 0.06 percent on gross receipts in excess of \$500,000. The first return is due February 10, 2006. There is a minimum \$75 fee due on February 10 for the semi-annual period July to December 2005.

In addition to excluding businesses with taxable gross receipts of less than \$150,000, the CAT does not apply to certain other businesses such as nonprofit organizations, financial institutions, insurance companies and some of their affiliates. Financial and insurance companies will continue to be liable for the corporation franchise tax with no phasing out of the tax rate.

ODT Enforcement Division Earns Re-accreditation

ODT's Enforcement Division recently made the grade again by meeting the tough law enforcement standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA).

CALEA was established as an independent accrediting authority in 1979 by four major law enforcement membership associations: International Association of Chiefs of Police, National Organization of Black Law Enforcement Executives, National Sheriffs' Association and Police Executive Research Forum. The commission's 21 members are chosen from law enforcement and the public and private sectors.

Along with Deputy Director Fred Nicely, the Enforcement Division's Bob Bray, Susan Kusan and Rick Shirk were panel members for ODT at the CALEA conference in Boston on July 30. They were questioned by commission members before the division was awarded reaccreditation. “The commission commended our entire division for being a part of the

process and for the fact that the report from the assessors was very favorable,” said Bray, ODT’s enforcement chief. He pointed out that ODT is the only revenue agency in North America whose law enforcement arm is accredited by CALEA.

Kusan said the commission praised the division for having all three years’ worth of documentation in its files to prove it was complying with commission policies and procedures.

Despite the honor, Bray said his division would not rest on its laurels. “This is an ongoing process, and we must continue to strive to be constantly reviewing and making suggestions to make it even better,” he added. “We have a challenge in front of us. We are becoming a larger agency and have moved to a new level within the accreditation process. There will be more policies we will have to meet, but I feel we can do this with ease.”

Kusan, who has been with ODT since 1991 and has served as the Enforcement Division’s accreditation manager since 1999, said the idea of the division gaining accreditation came up years ago. “We talked about some way to better professionalize the division,” she said.

Accreditation efforts began in 1999. The Enforcement Division first had to go through a self-assessment phase and write policies and procedures where none had existed previously.

“We didn’t have anything,” said Kusan. “They (CALEA) gave you the book and said these are the ones to comply with.”

That meant complying with 247 CALEA policies out of a total of 448, everything from personnel issues to use of force, she added.

Kusan explained that accreditation has given the division consistency and professionalism. She said CALEA sent in three examiners or assessors - all law enforcement officers - to ODT in April 2002. They examined evidence that the division was meeting its 247 policies and interviewed employees to see if they were buying into and abiding by the policies. “It was a pretty intense inspection,” she said.

The assessors then made recommendations to the commission. At the CALEA conference in 2002 when the Enforcement Division first became accredited, Kusan said she and her ODT colleagues watched a couple of other enforcement agencies from other states go through a rough time. “We were a little nervous when we got up there, but we went through without any issues,” she said. “Now we have policies and procedures. We still have to show we’re complying. We continue to fine-tune them and make them better for the division.”

Noting that change is difficult for everybody, Kusan said the division has come a long way since 2002, while adding that the division’s staff members have seen the benefits that accreditation provides. “The division has better equipment, a forfeiture fund and more employees to conduct enforcement business,” she said.



RE-ACCREDITATION - The Enforcement Division’s Rick Shirk, Susan Kusan and Bob Bray pose in front of their division’s reaccreditation award.

Russians Visit ODT to Learn about Ohio Taxes

Five Russian business and government officials along with their interpreter visited the Ohio Department of Taxation (ODT) on August 2 to learn about Ohio's tax structure and recent tax reforms.

The Open World Leadership Center sponsored the Russians' trip to the United States. Delegation members hailed from the Russian cities of Moscow, Saratov, Izhevsk and Khanty-Mansiysk. They included the marketing manager of a company that distributes Mattel toys in Russia, an economist at a Moscow bank and three high-ranking local government officials.

ODT's Rick Anthony, Dale Bischoff, William Peters and Vaughn Lombardo spoke about various aspects of Ohio's tax structure, collections, new amnesty program and latest tax law changes.



LEARNING ABOUT OHIO TAXES - Russian business and government officials recently visited ODT. They are pictured along with ODT's Vaughn Lombardo, William Wilkins, William Peters, Rick Anthony and Dale Bischoff.

ODT's Art Flesch, who served as the moderator, told the Russians that this is an interesting time in Ohio as state tax laws are changing in an effort to improve the economy. Afterwards, interpreter Olga Klepikova said the delegation members were impressed with the flexibility and independence that states have over their tax systems and the ability that states have to change policies that do not work and to enhance those that do.

In Russia, Klepikova said the national tax system is very vertical and centralized, while regional and municipal governments are quite restricted in their ability to control how taxes collected in their areas are ultimately used. She added that the group felt it would be nice if taxes collected locally in Russia could be kept closer to home with local people deciding how to use the money.

Klepikova said the group was also very impressed with how much economic development activity in the United States is done on the local and state levels and how much of that is conducted through tax policy. "It was very different from their situation as well," she said.

The group was also happy that ODT officials who met with them were tax professionals and not politicians, according to Klepikova. She said it made the meeting much more interesting for the group because they learned about changes in Ohio's tax system from those who make it happen rather than from political figures who often talk about what should be done but are not in charge of implementation on a daily basis.

Ohio Business Gateway Saves Time for Business Taxpayers

Ohio business taxpayers can now obtain commercial activity tax (CAT), sales tax and withholding registrations and licenses within a matter of minutes by applying for them through the Ohio Business Gateway (OBG).

OBG is a collaborative initiative of state and local government agencies and an important part of Ohio's digital government strategy. OBG's electronic filing services offer Ohio's businesses a time- and money-saving online filing and payment system that helps simplify business' relationship with government agencies.

Ohio business taxpayers can use OBG to submit selected filings, registrations, and payments with the state's Department of

Taxation, Bureau of Workers' Compensation, Department of Job and Family Services, and Department of Commerce. OBG also partners with local governments to enable businesses to file and pay selected Ohio municipal income taxes.

To use OBG, simply log on to obg.ohio.gov. Taxpayers can then apply for the following business tax registrations/licenses administered by the Ohio Department of Taxation (ODT):

- Commercial Activity Tax (\$15)
- Ohio Employer Withholding (No Fee)
- Ohio School District Employer Withholding (No Fee)
- Regular (County) Sales Tax Vendor License (\$25)
- Delivery Sales Tax Vendor License (\$25)
- Transient Sales Tax Vendor License (\$25)
- Service Sales Tax Vendor License (\$25)
- Consumer's Use Tax Registration (No Fee)
- Out-of-State Seller's Use Tax Registration (No Fee)

The taxpayer will then complete the online registration form, make any payments needed via Automated Clearing House (ACH) and immediately print the license/registration number and confirmations. To register for any other tax types administered by ODT, please contact the department at 1-888-405-4039.

Applications that require a fee must include payment at the time of the registration process so a registration/license can be issued. The fee must be paid by ACH, which requires an account number and routing number from the applicant's checking or savings account. Credit cards are currently not accepted for registration. Taxpayers will also need the following information to complete tax registrations:

- Federal Employer Identification Number (FEIN), if applicable. To apply for a FEIN, go to www.irs.ustreas.gov/businesses.
- Social Security number (sole proprietors only).
- Legal name and business name (Doing Business As, or DBA), if applicable.
- Primary address, business location address (Ohio only) and mailing address (if different than primary).
- NAICS (North American Industry Classification System) Code. Use the NAICS drop-down menu in the registration application to obtain the correct code.
- Names, addresses and social security numbers of the officers, partners or members.
- E-mail address, name and telephone number of contact person.
- A printer is also necessary to print a license and confirmation.

The license printed at the end of the transaction is an official license. Taxpayers can also return to OBG to print the license at a later date. A confirmation number and license/registration number will be issued upon completion of the application. This number will serve as an official acknowledgment that an application has been received by ODT. The registration/license number will be valid after the transaction is complete. When registration is complete and a registration account number is obtained, taxpayers will have the ability to immediately file and make payments to ODT for the following taxes:

- Employer Withholding Tax Reports (IT-501, IT-941, and IT-942)
- Employer School District Withholding Tax Reports (SD-101 and SD-141)
- State, County, and Transit Sales Tax Returns (ST-10 and UST-1)
- Accelerated Sales Tax Payments
- Sales and Employer Withholding Billing Notices
- Commercial Activity Tax (after January 1, 2006)

For additional OBG information, visit the help and support section of OBG's web site at obg.ohio.gov or call 1-866-OHIO-GOV. ODT is ready to help interested taxpayers by offering several resources where answers are available to Ohio tax questions. The ODT website (tax.ohio.gov) contains information on all taxes administered by ODT as well as contact information for the department.

Ohio, Other States Roll Out New Streamlined Procedures

Ohio recently joined 17 other states in rolling out a new system for providing more uniform procedures for collecting sales and use taxes from out-of-state sellers (e.g. catalogue and Internet vendors).

The Streamlined Sales and Use Tax Agreement officially took effect October 1 as did a centralized registration process for multi-state sellers to use. A link to this centralized registration system can be found at the Ohio Department of Taxation web site (tax.ohio.gov) or the system can be accessed directly at www.sstregister.org/sellers.

The agreement also finalizes the process for selecting software companies or Certified Service Providers (CSP), which will act as liaisons between states and retailers. A CSP can facilitate the process of collecting tax on Internet and catalogue sales and then transfer the tax to the state where the tax is due. Retailers, not under audit, who register with the streamlined system to collect sales and use taxes, are offered amnesty for any potential tax liabilities for sales made prior to registering and on which no tax was collected.

Retailers, by registering, agree to collect taxes for full member states. They can also voluntarily elect to collect sales and use taxes for associate member states. Ohio is an associate member state now and will become a full member in 2008.

“This is an important step in an ongoing process that should ultimately assist Ohio and its localities to collect millions of dollars in sales and use tax revenues that are currently going uncollected,” said Ohio Tax Commissioner William W. Wilkins. “Those revenues are important to state and local governments but equally important, this agreement will help level the playing field for Ohio retailers trying to compete with out-of-state companies that charge no sales tax.”

COURT *decisions*



The following are significant decisions of the Board of Tax Appeals (BTA), the Ohio Courts of Appeals and the Ohio Supreme Court from July through September, 2005. These informational summaries of tax decisions are compiled by Peter Angus, Legal Counsel, Compliance Division.

Corporation Franchise Tax

National City Bank v. Zaino (July 22, 2005), BTA 2003-1326 through 2003-1330

The Tax Commissioner disallowed the taxpayer's deduction from its net worth corporation franchise tax base for appreciation on several bank-owned life insurance contracts shown on its books at the cash surrender values. Ohio Revised Code 5733.056(B)(4) provides that goodwill, appreciation and abandoned property are to be excluded from net worth in determining the tax base for financial institutions. The BTA affirmed the Commissioner's action, holding that the interest and dividends earned on the cash surrender values of the policies are not appreciation as that term is used in the statute. These cases have been appealed to the Ohio Supreme Court.

Personal Income Tax

James W. Russell v. Wilkins (July 8, 2005), BTA 2004-661

Charles G. McHenry v. Wilkins (July 8, 2005), BTA 2004-427

Ronnie C. and Laurie A. Rector v. Wilkins (Sept. 9, 2005), BTA 2004-440

Several Ohio taxpayers contended that their wages and salaries were not “income” subject to Ohio personal income tax, and that the assessments against them were faulty for a number of reasons. The BTA cited *Buckley v. Wilkins* (2005), 105 Ohio St.3d 350, which held that, under Chapter 5747 of the Ohio Revised Code, wages are included in income. The court also held that the income tax statute is not unconstitutionally vague and that the Tax Commissioner, through his agents, may investigate returns filed. Based on this, the BTA affirmed the Tax Commissioner’s assessments.

Robert A. & Maureen B. Waring v. Wilkins (Aug. 19, 2005), BTA 2004-626

The Tax Commissioner assessed the taxpayers for failing to file an amended 1994 return within 60 days following the completion of an audit by the IRS in which their adjusted gross income for that year was increased. The IRS audit was completed in 1997 and the Ohio assessment was issued in 2002. The taxpayer contended that the assessment was issued outside the four-year time allowed for assessments under Ohio Revised Code 5747.13. However, the BTA held that since the taxpayers had not filed the amended return required under Ohio Revised Code 5747.10(A), Revised Code 5747.13, by its own terms, did not apply to bar the assessment.

Personal Property Tax

SCM Chem., Inc. v. Wilkins (2005), 106 Ohio St.3d 43

A taxpayer had two water pollution control certificates and an air pollution control certificate, issued August 1, 1995, July 16, 1996 and August 29, 1997, with effective dates of October 1, 1974, November 30, 1983, and October 1, 1989, respectively. The taxpayer paid personal property taxes on the exempt property in 1994 and 1995. In 2001 it filed an application for refund of those taxes. The Supreme Court held that the application was untimely under Ohio Revised Code 5711.25 and 5711.26, which provides that any refund application must be made by the second Monday of August of the second year after the filing of a return with the county auditor. Thus, the time for filing a refund application for 1994 and 1995 personal property tax expired the second Monday of August 1996 and 1997, respectively. This is so even though two of the three pollution control exemption certificates had not been issued by the earlier of those dates.

Reed Elsevier Inc. v. Wilkins (Aug. 5, 2005), BTA 2004-1322

The company which operates Lexis/Nexis objected to the inclusion in its personal property tax base of certain software licenses pertaining to applications and operating systems. The taxpayer contended that such software is not tangible personal property. The BTA affirmed the Tax Commissioner’s final determination, holding that the software in this case is similar to that held to be tangible personal property in *Community Mutual Ins. Co. v. Tracy* (1995), 73 Ohio St.3d 371. This case has been appealed to the Ohio Supreme Court

Public Utility Personal Property

American Fiber Systems, Inc. v. Wilkins (Sept. 16, 2005), BTA 2004-1222

A fiber optic company constructed, maintained and used in its business 41 miles of bundled fiber optic cable. Because only 36 of the 288 cables in the bundle were used, the Tax Commissioner included the value of those 36 cables in taxable value, along with the value of conduit pipe, above-ground poles and monitoring equipment. The taxpayer contended that only 36/288ths of the value of the pipe, poles, and other equipment should be included in the tax base. The BTA rejected this contention, finding that this property was used in business whether it supported one cable or all.

Real Property Exemption

Columbus City School District Board of Education v. Wilkins (2005), 106 Ohio St.3d 200

Two individuals established charitable remainder annuity trusts by transferring golf course property to Columbus State Community College District, Trustee. The two settlers of the trusts are each to receive annuity income for their respective lives; after their deaths, the property is to go to Columbus State Community College District. Columbus State Community College filed for exemption of the property and the Tax Commissioner granted it. The Columbus City School District filed an appeal with the BTA, which reversed the Tax Commissioner. The Supreme Court held that the Tax Commissioner did not have jurisdiction to entertain the exemption application because it was not filed by the property owner, which is a jurisdictional requirement under Ohio Revised Code 5715.27(A).

First Baptist Church of Milford v. McAndrew (Aug. 12, 2005), BTA 2004-143

The BTA affirmed the Tax Commissioner's holding that the exemption in Ohio Revised Code 5709.07 for "houses used exclusively for public worship..." does not apply to a print shop used by a related entity and apartments owned by a church. This case has been appealed to the Ohio Supreme Court.

Living Faith Apostolic Church v. Wilkins (Sept. 2, 2005), BTA 2004-666

The BTA held that the use of two offices in a building for the production of ministry materials was merely supportive of public worship, and therefore not entitled to exemption under Ohio Revised Code 5709.07 which exempts "houses used exclusively for public worship..." However, a two year lease of a portion of a building for use as a sanctuary and related meeting rooms did qualify the property for exemption under the statute.

Agape Hearts Ministry v. Wilkins (Sept. 30, 2005), BTA 2004-1162

The BTA held that a house owned by a church and occupied by a minister, and a second house owned by the church and rented for \$600 per month, were not entitled to exemption under Ohio Revised 5709.07, which exempts "houses used exclusively for public worship..."

Sales/Use Tax

Fred T. Miller, dba Miller Lumber Co. v. Zaino (July 15, 2005), BTA 2003-373

A plant which converted bark into mulch and boiler fuel was held by the BTA to be engaged in a continuous manufacturing process, and therefore entitled to the sales/use tax exemptions under Ohio Revised Code 5739.011. Equipment used to sprinkle water on bark and equipment used to move the product through the process were held exempt by the BTA.

Stephen R. Lilley v. Wilkins (July 29, 2005), BTA 2004-177

The purchaser of a glider aircraft claimed exemption under the "purchase for resale" exception of Ohio Revised Code 5739.01(E). The purchaser transferred the glider to a corporation of which he was the sole officer and shareholder. The glider was used for several months to provide flying lessons and was later sold. The BTA observed that the purchaser had not provided evidence to substantiate his contention, but dismissed the appeal on jurisdictional grounds.

The Premium Glass Company, Inc. v. Zaino (Aug. 5, 2005), BTA 2003-1475

A manufacturer hired temporary workers from Manpower, Inc. to staff some of its factory positions. Temporary employment services are subject to sales tax. The manufacturer contended that some of the services were exempt under Ohio Revised Code 5739.01(JJ)(3), which exempts employment services when (1) there is a contract of at least one year between the service provider and the purchaser and when (2) the contract specifies that each employee covered under the contract is assigned to the purchaser on a permanent basis. In this case, the agreement between the manufacturer and Manpower Inc. was oral. BTA determined that there was insufficient evidence to establish that the statutory criteria for exemption had been met. This case has been appealed to the Fairfield County Court of Appeals.

Parbro Air, Inc. v. McAndrew (Aug. 26, 2005), BTA 2004-134

The purchaser of an aircraft contended that it was not subject to use tax because it was obtained through a casual sale. Ohio Revised Code 5739.01(L) provides during the relevant period that “‘casual sale’ means a sale of an item of tangible personal property which was obtained by the person making the sale through purchase or otherwise, for his own use in this state and which was previously subject to the state’s taxing jurisdiction on its sale or use.” In this case, however, a broker acted as an intermediary. Furthermore, it was not clear that the seller had used the aircraft “in this state” as the statute required. Accordingly, the assessment of use tax on the purchase was affirmed by the BTA.

Frank H. Chapman II v. Wilkins (Sept. 2, 2005), BTA 2004-462

The BTA affirmed the assessment of use tax on a 43-foot yacht purchased by an Ohioan and shown in the records of the Coast Guard as having a home port of Cleveland, Ohio. The purchaser’s attorney appeared at the BTA hearing, but insufficient evidence was presented to contradict the basis of the assessment.

Ameritech Publishing, Inc. v. Zaino (Sept. 2, 2005), BTA 2003-698

A phone book publisher contracted with another company to produce the directories. The amount of this contract was included in an audit of the publisher. The publisher contended that the portion of the price designated for “paper management service” should not be subject to sales tax because it involved a personal service in which the contractor placed orders for paper with paper mills and monitored and controlled the use of that paper throughout the publishing process. The BTA found that the paper management service was part of the cost of the paper required for creating the phone books and was not a personal service. This case has been appealed to the Ohio Supreme Court.

Howard E. Hite v. Wilkins (Sept. 16, 2005), BTA 2005-288

A car purchaser sought a sales tax refund for the amount of the reduction in sales tax which *would have* occurred on his purchase from a dealer if he had traded in his old car to the dealer instead of selling it to a third party. The BTA affirmed the Tax Commissioner’s denial of the claim.

Time Warner Ent. v. Zaino (Sept. 16, 2005), BTA 2003-1810 and 1811

The BTA held that converter boxes used in the homes of subscribers of cable services are exempt from sales/use tax because they are used directly in rendering a public utility service, i.e., the cable TV service. However, the remote control devices used to switch channels are not covered by the exemption and the charges for them are taxable.

Carl Smith v. Wilkins (Sept. 30, 2005), BTA 2004-371

A 49% owner in a two-person wood crafting business was found not personally liable by the BTA for unpaid sales tax under Ohio Revised Code 5739.33. The BTA found that the minority owner had check-signing authority and did sign payroll checks for his two employees, but did not exercise other financial or sales involvement in the corporation.

Penny Lane Publishing, Inc. v. Wilkins (Aug. 19, 2005), BTA 2005-495

Heather M. Mancuso v. Wilkins (Aug. 5, 2005), BTA 2005-287

Dorsey Channel v. Wilkins (Aug. 5, 2005), BTA 2005-356,

Kay Lynn Secresty v. Wilkins (Sept. 23, 2005), BTA 2005-478

The BTA upheld the Tax Commissioner’s revocation of vendors’ licenses where the vendors had reported no sales for several years. The revocations were made under Ohio Revised Code 5739.19, which provides, “The Tax Commissioner may revoke any retail vendor’s license upon ascertaining that the vendor has no need for the license because the vendor is not engaged in making taxable retail sales....”

TAX enforcement news

The following convictions were secured by the Enforcement Division of the Ohio Department of Taxation in May, June and July 2005. Enforcement News is compiled by Robert M. Bray, Administrator, Enforcement Division. Fraud complaints can be e-mailed to Taxenforcement@tax.state.oh.us.

Assorted Sales Tax Violations

NAME	BUSINESS	CITY	VIOLATION
Joy Beane	Joy Beane	South Bloomfield	1 count failure to file sales tax returns
Vivian Garrett	Vivian Garrett	Orient	1 count failure to file sales tax returns
Darinka Tolber	D.D. Tolber	Columbus	1 count failure to file sales tax returns
Donald Curry	Curry's Towing	Gallipolis	1 count failure to file sales tax returns
Paulette Lalor	Marsyl's	Toledo	1 count failure to file sales tax returns
William Kentris	William Kentris D.C. Inc.	Findlay	1 count failure to file sales tax returns
Adam B. Halsey	CR Music Exchange	Bowling Green	2 counts failure to file sales tax returns
Beverly Bohring	The Café	Fostoria	1 count failure to file sales tax returns
James Gallagher	Central Feed & Supply Inc.	Sandusky	1 count failure to file sales tax returns
Caroline Lacy	Carol's Car Care	Hillsboro	2 counts failure to file sales tax returns
Robert Day	Daysun, Inc.	Hamilton	1 count failure to file sales tax returns
Timothy W. Postel	Timothy W. Postel	New Philadelphia	1 count failure to file sales tax returns
Michael Clyburn	Big Daddy's	Columbus	1 count failure to file sales tax returns
Terrie E. Byers	Captain's Quarters	Toledo	1 count failure to file sales tax returns
Michael A. Sader	Cohen & Cook	Bowling Green	1 count failure to file sales tax returns
Dawn Joseph	Past Time Bar	Toledo	1 count failure to file sales tax returns
Roy Blockberger	Flat Rock Marina	Defiance	1 count failure to file sales tax returns
Joanne Garcia	New Triangle Café	Toledo	1 count failure to file sales tax returns
Robin Lang	Lang's Body Shop	Sandusky	1 count failure to file sales tax returns
Joe Sprague	Sprague's Automotive	Lima	1 count failure to file sales tax returns
Todd Nemire	Judy's Rea	Bryan	2 counts failure to file sales tax returns
Robert Couch	Mirror Magic	Cincinnati	1 count failure to file sales tax returns
Harry B. Carnes Jr.	Harry B. Carnes Jr.	Bellfontaine	1 count failure to file sales tax returns
John C. Roebuck Jr.	John C. Roebuck Jr.	Marion	1 count failure to file sales tax returns
Lenora McGlown	Lenora McGlown	Toledo	1 count failure to file sales tax returns
Kenneth Bak	Harry's Sports Bar	Toledo	1 count failure to file sales tax returns
Dale Depew	Crystal Cleaners	Tiffin	1 count failure to file sales tax returns
Yassar Areiqat	D&C Carry Out	Toledo	2 counts failure to file sales tax returns
Les Lunch	Bluffton Drive Thru	Bluffton	1 count failure to file sales tax returns
Ricky Knight	Model Cleaners	Sandusky	1 count failure to file sales tax returns
Ricky Knight	Your Model Cleaners	Sandusky	2 counts failure to file sales tax returns
Paula G. Lowe	Paula G. Lowe	Middletown	1 count no vendor license
Barton Bunn	Central Marathon	Findlay	1 count no vendor license
Norman Carter Jr.	Carter Landscaping	West Chester	1 count no vendor license
Adam C. Harvey	Southern Ohio Gold	Hamlet	1 count failure to collect sales tax
Kolon D. Carter	Smiling Sams	Cincinnati	1 count failure to collect sales tax
Richard McCaughey Jr.	Bee Gee Carpets	Bowling Green	2 counts collecting and failing to remit sales tax

Assorted Cigarette Tax Violations

NAME	BUSINESS	CITY	VIOLATION
Regina Gregory	Plateau Truck Stop	Waverly	1 count no cigarette license
Shailesh Patel	Ambay Inc.	Batavia	1 count no cigarette license
Mark Lechner	Wine Works Inc.	Springfield	1 count no Other Tobacco Products license, 1 count marking of invoices

INFORMATION *releases*

The Ohio Department of Taxation recently issued the following information releases. To view the releases, please visit our Web site at tax.ohio.gov and click on “Releases” in the Popular Links section at the top of the home page.

Commercial Activity Tax

CAT 2005-01 - Definition of “Foreign Corporation” in Chapter 5751 - August, 2005

CAT 2005-02 - Nexus Standards - September, 2005

CAT 2005-03 - Excluded Person — Consolidated Elected and Combined Taxpayer Groups - September, 2005

CAT 2005-04 - Quarterly Taxpayers Must File and Pay Electronically - September, 2005

CAT 2005-05 - Application of “Common Owners” and joint ventures - October, 2005

CAT 2005-06 - Draft of Siting Rules for Certain Services - October, 2005

CAT 2005-07 - Transfers of Property Into the State - September, 2005

CAT 2005-08 - I.R.C. Section 1221 and 1231 Assets Excluded from “Gross Receipts” - September, 2005

CAT 2005-09 - Commercial Activity Tax: Sampling - October, 2005

CAT 2005-10 - Commercial Activity Tax: Qualified Foreign Trade Zone Area - October, 2005

CAT 2005-11 - Commercial Activity Tax: Qualified Foreign Trade Zone Area (Additional Information) - October, 2005

CAT 2005-12 - Commercial Activity Tax: Request for Member of a Combined Taxpayer Group to File Separately - October, 2005

CAT 2005-13 - Commercial Activity Tax: Estimated Payments for Calendar Quarter Taxpayers - October, 2005

CAT 2005-14 - Commercial Activity Tax: Nonprofit Organizations - October, 2005

CAT 2005-15 - Commercial Activity Tax: Taxpayers Allowed to Change Registration Status until Due Date of First Return - November, 2005

Corporation Franchise Tax

PI & CFT 2002-01 - PI & CFT 2002-01 - Depreciation Deductions for Taxable Years Ending in 2001 and Thereafter - July, 2005

Estate Tax

ET 2005-01/PP 2005-02 - Property and Estate Taxes Have New Interest Rate - September, 2005

Motor Fuel Tax

XT 2005-09 - Temporary Provisions Regarding the Sale and Use of Dyed Diesel Fuel - September 6, 2005

XT 2005-07 - Fuel Tax Surcharge for IFTA Accounts - June 30, 2005

XT 2005-06 - Fuel Tax Surcharge Reduction for Ohio Fuel Use Tax Accounts - June 30, 2005

Income Tax

IT 2005-01 - Trusts: Estimated Income Tax Payment Due September 15, 2005 - August, 2005

PI & CFT 2002-01 - PI & CFT 2002-01 - Depreciation Deductions for Taxable Years Ending in 2001 and Thereafter - July, 2005.

Property Tax

ET 2005-01/PP 2005-02 - Property and Estate Taxes Have New Interest Rate - September, 2005

Sales Tax

ST 2005-01 - Vendor Compensation - July, 2005

Choose Your Tax Topics With OHTAX-Alert

On November 18, 2005, the Ohio Department of Taxation (ODT) introduced **OHTAX-Alert**, an e-mail information service that allows you to choose which tax topics you'd like to receive tax notices on, and avoid cluttering your electronic in-box with items of limited value. **This new application is replacing the former Tax Practitioner e-mail system ODT had in place.**



This notice has been issued to all those currently on ODT's Tax Practitioner e-mail list. At the outset, ODT has created a subscription for you — the tax practitioner — that will provide informational notices on **all** tax topics. If that is acceptable, you need to do nothing. Notices on all tax topics will be sent to you as they are made available.

If you would like to customize your account or cancel your subscription, or for anyone who wishes to open a new account, you will need to visit the OHTAX-Alert Welcome page at <http://tax.ohio.gov/ohiotaxalert/isUserInfo.asp>. Once there, enter your e-mail address (registering your name is optional) and hit the 'Continue' button. This will take you to a list of featured tax topics. From that list, you can choose to receive information releases on specific tax types or topics, or check the "Select All Groups" box to receive all tax information releases. An e-mail confirming your new subscription or cancellation will be sent to you within 24 hours. Please respond to the confirmation request.

NOTE: If you are using certain e-mail services such as Hotmail, Yahoo or AOL, be advised that adding our e-mail address (ohntaxalert@tax.state.oh.us) to your e-mail address book will prevent future ODT e-mails from being placed in your bulk or spam e-mail folder. If you are using other blocking programs, you may need to adjust the settings on your spam control software.

ODT To Release Employer Withholding Tables

The Ohio Department of Taxation (ODT) will be releasing adjusted employer withholding tables with rates to take effect January 1, 2006. The rates reflect reductions in the Ohio personal income tax enacted in House Bill 66, the state's budget bill for fiscal years 2006-07. These revised tables will be posted on the ODT website. The tables include daily, weekly, bi-weekly, semi-monthly and monthly withholding schedules.

Tax Calendar at-a-Glance

Oct.

- 15** Monthly Income Tax Withholding Returns
- 20** Monthly Kilowatt Hour (KWH) Tax Returns
- 24** Monthly and Semiannual Sales Tax Returns
- 24** Monthly Consumer Use and Direct Pay Returns
- 24** Quarterly Consumer Use Tax Returns
- 24** Quarterly Direct Pay Sales Tax Return
- 29** Quarterly Income Tax Withholding Returns

Nov.

- 13** Monthly Income Tax Withholding Return
- 13** Quarterly Estimated Income Tax Return
- 15** Commercial Activity Tax Registration
- 21** Monthly Kilowatt Hour (KWH) Tax Return
- 21** Quarterly Natural Gas Distribution (MCF) Tax Return
- 23** Monthly Sales Tax Return
- 23** Monthly Consumer Use and Direct Pay Returns

Dec.

- 15** Monthly Income Tax Withholding Return
- 20** Monthly Kilowatt Hour (KWH) Tax Return
- 23** Monthly Sales Tax Return
- 23** Monthly Consumer Use and Direct Pay Return

Our Mission:

To provide quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

Our Motto:

We CARE about the quality of our service.

*Courteous
Accurate
Responsive
Equitable*

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