

# OHIO's



## statetaxreport

No. 81

Ohio Department of Taxation

Fall 2006

### ***Sign Up for Small Business Workshops***

New or prospective small business owners and self-employed persons can learn about their tax rights and responsibilities by attending a small business tax workshop. These workshops are offered free of charge and are sponsored by the Internal Revenue Service and the Ohio Department of Taxation. Most workshops are being offered in cooperation with the Ohio Department of Development.

Workshops are designed to provide a general overview of business taxes. Participants receive workbooks and a business tax kit that contains forms and publications necessary for complying with business tax requirements.

Please note: This schedule is subject to change - cancellations may occur and other workshops may be scheduled throughout the year. For the latest updates call the number listed for the workshop you are interested in attending.

If you are unable to attend a workshop after registering, please call and cancel. Class sizes are limited and others are waiting for reservations.

#### **Workshop Schedule**

##### **Brown County**

October 24, 2006  
9 a.m. – 4 p.m.  
Brown County Extension Office  
740 Mt. Orab Pike  
Georgetown, OH 45121  
To register, phone (740) 289-3727  
or write to the OSU South Centers  
1864 Shyville Road  
Piketon, OH 45661.

##### **Butler County**

October 25, 2006  
9 a.m. – 4 p.m.  
BizTech Center  
20 High Street,  
Hamilton, OH 45011  
Register by phone (513) 737-6543, fax (513) 737-

6755, online at [www.biztechcenter.com](http://www.biztechcenter.com) or e-mail  
[mcollmer@biztechcenter.com](mailto:mcollmer@biztechcenter.com)

##### **Clark County**

November 17,  
2006  
9 a.m. – 4 p.m.  
Small Business  
Development  
Center  
300 East Auburn  
Avenue  
Springfield, OH  
45505  
To register, phone  
(937) 322-7821  
or e-mail  
[joann@smbusdev.org](mailto:joann@smbusdev.org)

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**Delaware County**

October 17, 2006  
 9 a.m. – 3:30 pm  
 Delaware Area Career Center  
 4565 Columbus Pike  
 Delaware, OH 43015  
 To register, phone (740) 548-0708.

**Franklin County**

October 24, November 28 and December 19, 2006  
 9 a.m. – 4 p.m.  
 Columbus Metropolitan Library  
 96 S. Grant Avenue, Main Auditorium  
 Columbus, OH 43215  
 Register by phone (614) 287-5300 or online at  
[www.sbdc.cscs.edu](http://www.sbdc.cscs.edu) and click on upcoming courses.

**Lucas County**

October 20 and December 8, 2006  
 9 a.m. – 5 p.m.  
 Toledo Regional Chamber of Commerce  
 300 Madison Avenue, Enterprise Suite 200  
 Toledo, OH 43604  
 To register, phone (419) 243-8191.

**Scioto County**

October 13, 2006  
 9 a.m. – 4 p.m.  
 Shawnee State University  
 Administration Building, Room 030  
 940 2nd Street  
 Portsmouth, OH 45662  
 Register by phone (740) 289-3727, e-mail  
[obryant5@ag.osu.edu](mailto:obryant5@ag.osu.edu) or mail to the OSU South Centers  
 1864 Shyville Road  
 Piketon, OH 45661.

*Commissioner's Column****Tax Foundation Misreads Ohio's Tax Climate***

*William W. Wilkins*  
*Ohio Tax Commissioner*

You may have recently read in the news about a report issued by the Tax Foundation that claims that the tax burden of Ohioans is the third highest and that Ohio is ranked 48<sup>th</sup> least competitive among all states in regard to our business tax climate. The report also predicts that Ohio will remain a high-tax state despite recently enacted tax reforms.

All of these claims are suspect for a variety of reasons, not the least of which is the Tax Foundation's inability or unwillingness to explain how it arrived at its conclusions by publicizing the factors and methodology it used.

Despite this lack of transparency, some flaws in the Tax Foundation's conclusions are clearly evident. For one thing, the group incorporates the importing and exporting of taxes between states, instead of what the taxpayer actually pays and what the government actually collects. That means that the Tax Foundation is docking Ohio in terms of its economic climate based on the tax policies of other states that we cannot control such as the severance taxes that Ohioans pay on the oil imported from Alaska that becomes gasoline sold in Ohio.

With its flawed methodology, the Tax Foundation places us at 48<sup>th</sup> among all states in terms of business tax climate. But, when one examines the per capita tax burden for Ohioans for all taxes, Ohio actually finishes in the middle of the pack.

Other groups and organizations, such as the Federal Tax Administrators and the U.S. Census Bureau, rank Ohio's tax burden between 20<sup>th</sup> and 27<sup>th</sup> among all states based on actual collections.

The Tax Foundation's ideal tax system would be one that does not impose an income or sales tax. That's why the Tax Foundation's top ten features only those states that lack one of these major taxes.

The Tax Foundation's top two states in terms of competitive tax systems are Wyoming and South Dakota. Both lack a state income tax. However, there is no evidence that corporate America is flocking to those states.

The Tax Foundation also said it is incorrect to even label the recent tax law changes in Ohio as real reforms because the group claims that the state's tax system did not change much.

Just based on how much of the department's work has been affected, I can attest to the fact that these reforms to our tax laws are far-reaching as we have a new major division that handles just the new commercial activity tax. We also had to make adjustments concerning the income tax and the sales tax because the reforms reduced their rates.

Two other major taxes - corporation franchise and tangible personal property - are being phased out on most businesses. I don't have enough space here to address the many other changes in the tax code that are having an effect on us. But I believe you get the picture on just how extensive the reforms are.

As one who was on the front lines in helping the Taft Administration push the tax reform effort through the legislature during the first six months of 2005, I believe the conclusions drawn by the Tax Foundation are bogus at best.

Lastly, I find it hard to believe that the tax reforms we have today will have a negative effect on how businesses regard Ohio, particularly when the Ohio Business Roundtable, which represents the 100 largest companies in the state, strongly supported them.

For these reasons, the Tax Foundation's findings should not be relied upon to determine the competitiveness of Ohio's tax structure or to determine the tax burden of Ohioans.

## ***Know a Tax Superstar? Submit a Nomination to the Ohio State and Local Tax Hall of Fame***

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Do you know someone who has made significant contributions to the development, administration or operation of Ohio's tax system? Then please submit your nomination for Ohio's State and Local Tax Hall of Fame by December 29, 2006.

Sponsored by the Ohio Department of Taxation and the Ohio Chamber of Commerce, the Hall of Fame was created in 2001. Current Hall of Famers include: Edgar Lindley and Stanley J. Bowers, former Ohio tax commissioners; I. John "Jack" Reimers, former president of the Ohio Chamber of Commerce; Richard H. Finan and Ted B. Clevenger, former state senators; Addison E. Dewey, professor emeritus at the Capitol University Law School and former Ohio Department of Taxation deputy tax commissioner; and Earl Goldhammer, veteran Ohio tax attorney.

The next honoree will be announced in Columbus at the Ohio Tax Conference in January. You can obtain a nomination form at the following Web site address: [http://tax.ohio.gov/channels/global/documents/Hall\\_of\\_Fame\\_2006.doc](http://tax.ohio.gov/channels/global/documents/Hall_of_Fame_2006.doc).

Mail completed nominating forms to:

Ohio Department of Taxation  
Ohio Tax Commissioner  
Attn: Hall of Fame  
P.O. Box 530  
Columbus, OH 43216-0530.

Nominating forms can also be e-mailed to: [Gary\\_Gudmundson@tax.state.oh.us](mailto:Gary_Gudmundson@tax.state.oh.us)

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## ***Withholding Tax Cut Puts More Money in Ohioans' Pockets***

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Ohioans began taking home more of their paychecks beginning October 1 with the implementation of an 8.4 percent withholding tax cut. In July, Gov. Taft directed the Ohio Department of Taxation to revise the state income tax withholding tables to accelerate the benefits of the 21 percent income tax cut that is being phased in over tax years 2005-2009.

“Ohio’s budget is the leanest this state has seen in 40 years and with better than expected revenues, I’m pleased that we can accelerate the 21 percent income tax cut,” Taft said. “Now that we are reducing Ohio’s income tax rate, Ohioans will be able to keep more of their hard-earned dollars, and we’re able to promote the state’s competitive climate for business investment.”

The income tax cut was part of the historic tax reforms enacted by Governor Taft and the Ohio legislature to better position the state for business investment and relocations. In addition to the 21 percent income tax, the reforms will phase out the tangible personal property tax and the corporation franchise tax and phase-in a new commercial activity tax. The additional 8.4 percent withholding cut comes on top of the 4.2 percent cut that occurred in January 2006. State income tax withholding rates are now 12.6 percent lower than they were prior to tax reform.

The lower withholding rates will reduce state revenues and increase Ohioans take-home pay by approximately \$390 million in state fiscal year 2007, which began July 1.

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## ***ODT Gets Suggestions on How to Improve Web Site***

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With the Internet an increasingly vital channel of communications and commerce, the Ohio Department of Taxation’s (ODT) Web site has to be as current and effective as possible.

With that goal in mind, ODT recently contracted with a Columbus-based Internet consulting firm to help the department create a better Web site by studying how easy it was for test subjects to navigate our Web site versus a prototype with a different look.

Taking part in the study were 31 people from all walks of life: the private sector, state and local agencies, tax practitioners, the general public and ODT staff.

Each study participant was given a series of tasks to accomplish on the two Web sites and was asked to rate how difficult or easy it was to perform those tasks.

ODT staff members were able to observe the participants as they went through their tasks. Watching and learning about how other people think and do things was a valuable experience.

Overall, the study found that participants had a slightly higher success rate with the prototype Web site than the ODT site, including ease of use, confidence, navigation, orientation and aesthetics. While study participants still had a lot of nice things to say about ODT’s current Web site, the department welcomed their frank assessments.

This process suggested a number of changes and improvements that can be made to ODT’s site so it will be more friendly to users such as:

- Improving the forms search engine.
  - Improving the search engine for the Web site.
  - Integrating Frequently Asked Questions (FAQs) more thoroughly into the Web site.
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- Considering a different design or look.
- Adding the ability to submit more forms electronically.
- Allowing users to save data in PDF forms.

ODT is currently evaluating which improvements to make and when to make them, so stay tuned.

## 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 June 1, 2006 to September 8, 2006. These informational summaries of tax decisions are compiled by Peter Angus, Legal Counsel, Compliance Division.



### Dealers in Intangibles Tax

*National City Mortgage Company, and National City Commercial Finance, Inc. v. Wilkins* (September 1, 2006), BTA 2004-345 & 2004-348 & 2005-304

The dealers in intangibles tax, Ohio Revised Code 5725.01 *et seq.*, is a tax imposed upon the capital represented by dealers' corporate shares to the extent that the capital is employed in Ohio. Pursuant to R.C. 5725.26, the dealers in intangibles tax is in lieu of all other taxes on the property and assets of the dealer other than tax on real estate located in Ohio. In these cases, the dealers were owned by banks which reflected the values of the dealers' shares in their corporation franchise tax bases. The BTA agreed with the taxpayers' contention that they were not liable for the dealers in intangibles tax because the value of their shares were included in the tax base of the parent corporations which were subject to the corporation franchise tax.

### Personal Property Tax

*Andrew Jergens Co. v. Wilkins* (2006), 109 Ohio St.3d 396,  
*Reed Elsevier, Inc. v. Wilkins* (2006), 109 Ohio St.3d 517

The taxpayers in these cases contended that their canned application software should not be taxed as tangible personal property used in business. However, the Supreme Court held that such software is subject to the personal property tax. The software is stored on the hard drive of the purchaser's computer and it enables the computer to perform the desired operations. As such, the software is properly included in the taxpayers' personal property tax base.

*Shiloh Automotive, Inc. v. Wilkins* (July 7, 2006), BTA 2004-380 & 2004-1283

A taxpayer objected to the increase in valuation of property which the taxpayer had obtained by purchase from its majority shareholder. The taxpayer contended that the value of its property should be determined by the price paid for it. The corporate shareholder which sold the property to the taxpayer owned or controlled 51 percent of the shares of the taxpayer prior to the sale and 56 percent after. Five persons related to the seller sit on the taxpayer's nine-person board of directors. Based on these facts, the BTA held that the purchase transaction had not been arm's length and therefore was not a proper basis for determination of personal property valuations. The BTA ordered the matter remanded to the Tax Commissioner. This case has been appealed to the Ohio Supreme Court.

*American Identity, Inc. v. Wilkins* (July 28, 2006), BTA 2004-330

The taxpayer contended that three specific line items on its 2002 personal property tax return were erroneously included as tangible personal property, when, in fact, the items reflected goodwill booked by its previous owner as a result of a previous acquisition. The line items were computer equipment, furniture/fixtures and machinery/equipment. The BTA found that the listings represented gross-ups and had been assigned 24-month lives by the previous owner. Only two months of depreciation remained at the time the taxpayer acquired the assets. Accordingly, the BTA allowed an adjustment in the taxable value of these assets.

*CM Acquisition Company v. Wilkins* (August 25, 2006), BTA 2005-531

The taxpayer's personal property tax returns were not timely filed for several years and so penalties were assessed under Ohio Revised Code 5711.27 in assessment certificates issued November 3, 2004. The taxpayer requested abatement of penalties in a petition filed February 10, 2005, 99 days later. The Tax Commissioner dismissed the petition as being untimely under the statute, which requires that any petition must be submitted within sixty days of the mailing of the certificate. The BTA reversed the dismissal because there was no proof as to when the assessment certificates had been mailed and therefore no certainty that the petition was filed outside the sixty-day period. The matter was remanded to the Tax Commissioner to consider the penalty abatement petition.

### **Public Utility Property Tax**

*Choice One Communications of Ohio, Inc. v. Wilkins* (June 9, 2006), BTA 2003-1461 and 2004-409

The BTA held that the customized computer software of a competitive local exchange carrier is tangible personal property subject to the public utility property tax. Procedural aspects of the assessment and appeal process were also discussed and decided by the BTA.

*Columbia Gas Transmission Corp. v. Zaino* (July 28, 2006), BTA 2003-1876

A natural gas transmission company contended that it should be classified as a 'natural gas company' under R.C. 5727.01(D)(4) rather than a 'pipe-line' company under Ohio Revised Code 5727.01(D)(5). These sections provide that a taxpayer: "(4) Is a natural gas company when engaged in the business of supplying natural gas for lighting, power or heating purposes to consumers within this state; "(5) Is a pipe-line company when engaged in the business of transporting natural gas, oil, or coal or its derivatives through pipes or tubing, either wholly or partially within this state." Taxable public utility property of natural gas companies is taxed at 25% of true value; such property of pipeline companies is taxed at 88% of true value. The BTA considered the contentions of both parties and concluded that the taxpayer is a natural gas company because it supplies natural gas to consumers in this state. This case has been appealed to the Ohio Supreme Court.

### **Sales & Use Tax**

*Michael S. Grimes v. Wilkins* (June 9, 2006), BTA 2005-679

A corporate secretary who was involved in the day-to-day operations of the corporation was assessed under Ohio Revised Code 5739.33 for unpaid sales tax on the sales of mobile homes. The corporate secretary was involved in the day-to-day operations of the company. He was found by the BTA not to be liable for the period where he did not sign checks in payment of sales tax liability and liable for the period in which he did sign such checks.

*American Mfg. Modular Homes, Inc. v. Wilkins* (June 9, 2006), BTA 2005-260

A vendor of mobile homes was assessed use tax on its sales. Because the vendor had not maintained adequate sales records, the auditing agent used corporate tax returns, income statements and sales invoices to establish the tax base. At the BTA hearing, the vendor was able to establish that the actual sales tax liability was lower than the amount assessed. The

matter was remanded to the Tax Commissioner for further review.

*Roncelli, Inc. v. Wilkins* (June 30, 2006), BTA 2005-279

A general contractor who arranged for sub-contractors to install carpeting was assessed for unpaid sales tax on those jobs. The general contractor contended that under its agreement with the installers, they were required to remit any sales tax due. The general contractor also contended that it was not purchasing the carpeting installation itself, but was arranging for it to be done on behalf of the building owners. The BTA rejected these contentions based on the evidence and held the general contractor liable for the unpaid sales tax on the installed carpeting.

*Advanced Organics Incorporated v. Wilkins* (August 4, 2006), BTA 2004-369

An animal feed manufacturer which gathers waste products from bakeries and snack food companies to use in its products was assessed use tax on its acquisition of vehicles and its classification of enclosures located on the other companies' sites. The manufacturer contended that the vehicles, acquired by the manufacturer from its predecessor, were fully depreciated by the predecessor and the appropriate acquisition price was therefore zero. However, the manufacturer's asset listing showed actual values for the vehicles and these were used by the tax agent in assessing use tax. This was upheld by the BTA. Enclosures built around the manufacturer's container bins located on the other companies' sites were held to be personal property – business fixtures - rather than realty because they primarily benefited the manufacturer's business, not the real estate.

*The Cygnus Group, Inc. v. Wilkins* (August 4, 2006), BTA 2005-481

A firm operating fitness centers failed to properly collect and remit sales tax on its sales of memberships. The business records were not complete, so the tax agent used available primary and secondary sales records to ascertain the amount of tax due. The BTA upheld the assessment of tax and penalty and interest on the sales.

*J.L. Billman, Inc. v. Wilkins* (August 18, 2006), BTA 2005-594

A car wash at a service station was operated by customers inserting coins and selecting wash features at a control panel outside the wash bay. Customers then drove to a point where a conveyor pulled the car through the wash bay while it was cleaned by being sprayed with water, detergents and wax. The entire process was done by machinery only. The owner of the car wash was assessed sales tax on the car wash transactions. The BTA held the transactions to be covered under Ohio Revised Code 5739.02(B)(44), which exempts "sales conducted through a coin operated device that activates \*\*\* equipment that dispenses water \*\*\* or other cleaning agents or wax to the consumer for the consumer's use on the premises in washing \*\*\* a motor vehicle, provided no other personal property or personal service is provided as part of the transaction\*\*\*."

*DaimlerChrysler Corporation v. Wilkins* (August 18, 2006), BTA 2004-187 & 2004-188

An automobile manufacturer provided parts and authorized its dealers to perform "goodwill" warranty work under certain conditions. These repairs were outside of the limited warranty provisions. The manufacturer was assessed use tax on the parts and services it provided for the "goodwill" warranty work. The manufacturer contended that it was not liable for the use tax because it did not actually take possession of the parts; its dealers did so. The BTA rejected this, holding that the manufacturer, through its "goodwill" warranty program, exercised control over the parts used in such warranty work.

*Eugene Novak v. Wilkins* (September 1, 2006), BTA 2005-410

The corporate secretary/treasurer and 22% shareholder of a corporation which owned several retail stores was held personally liable for unpaid sales tax for periods before and after the corporation entered into a management agreement with another corporation to have it operate several of the stores. The BTA held that those made personally responsible under Ohio Revised Code 5739.33 for unremitted sales tax may not avoid liability by delegating duties.

# TAX enforcement news

*The following convictions were secured by the Enforcement Division of the Ohio Department of Taxation from May through July 2006. Enforcement News is compiled by Robert M. Bray, the administrator of ODT's Enforcement Division. Fraud complaints can be e-mailed to [Taxenforcement@tax.state.oh.us](mailto:Taxenforcement@tax.state.oh.us).*

**Mayer A. Landy**, owner and operator of Mayer A. Landy, Inc. (doing business as The Landyman Can) in Macedonia, entered a negotiated plea to one count of collecting and failing to remit sales taxes, a fourth-degree felony. A complaint was received alleging that Mr. Landy had been collecting sales tax for approximately seven years without reporting and remitting it. A subsequent audit of invoices found that Mr. Landy had collected but not remitted about \$110,660 in sales taxes during this period. Mr. Landy was put on probation for five years and ordered to pay full restitution.

**Mary Lou Saliaris**, president of Portage Entry Marine, Inc. in Marblehead, pleaded guilty to one count of collecting and failing to remit sales tax, a fourth-degree felony; one count of tampering with records, a third-degree felony; and one count of forgery, a fifth-degree felony. A complaint was received from the Ohio Department of Natural Resources regarding sales tax collected by Portage Entry Marine, Inc. but never remitted. It was discovered that sales tax returns had been filled out but never submitted. After submitting a check for \$271,218.49 based on an agreement with the department, Ms. Saliaris was sentenced to three years of probation and given 90 days to dissolve her business.

**Dwayne Johnson**, owner/operator of Johnson's Carpet Care and Floor Covering in Defiance, pleaded guilty to one count of collecting and failing to remit sales tax, a fourth-degree felony. Through the department's delinquent program, it was discovered that Mr. Johnson had not filed 15 monthly sales tax returns. He was sentenced to four years probation and ordered to pay restitution in the amount of \$24,272.32.

**Greg Werner**, owner/operator of Home Plate II Cards and Comics in Piqua, pleaded guilty to 11 counts of collecting, but failing to remit sales tax, a fifth-degree felony and one count of theft, a fourth-degree felony. Through the department's delinquent program, it was discovered that Mr. Werner had been conducting sales from a stationary location as well as eBay, collecting sales tax on these sales but failing to remit it to the State of Ohio. A search warrant was served and multiple boxes of business records were seized. An audit determined that Mr. Werner owed \$10,281.77 in sales tax. He was sentenced to five years of probation and ordered to make payments in the amount of \$250 per month until the taxes are paid in full.

## Cigarette/Other Tobacco Products Violations

NAME	BUSINESS	CITY	VIOLATION
Juma Akel	Price Hill Mart	Cincinnati	1 count no cigarette license
Sabir Salhieh	Salhieh, Inc.	Wilmington	1 count no cigarette license
Daniel Kolarsky	Daniel Kolarsky	Cincinnati	1 count no cigarette license
Naser Saleh	Naser Saleh	Upper Arlington	1 count no cigarette license
Retha Strickland	Popes Market	Cincinnati	1 count failure to maintain purchase records
Idrissa Samba Ba	Idrissa Samba Ba	Cincinnati	1 count failure to maintain purchase records
Ashokkumar Patel	Ashokkumar Patel	Cincinnati	1 count attempted cigarette trafficking w/o a license
Nadir Salameh	University Carryout	Toledo	1 count attempted cigarette trafficking w/o a license
Annette Lemke	Convenience Plus	Rossford	1 count attempted cigarette trafficking w/o a license

## Sales Tax Violations

NAME	BUSINESS	CITY	VIOLATION
Richard Boerner	Richard Boerner	Massillon	1 count failure to file sales tax returns
Brent Ward	Brent's Tents	Lima	1 count failure to file sales tax returns
Yassar Zreiqat	D&C Carryout	Toledo	1 count failure to file sales tax returns
Darin Laman	Computer Guy	Lima	1 count failure to file sales tax returns
Robert Long	Nkrumah Arts	Lima	1 count failure to file sales tax returns
Paul Jenson	Paul's Specialties	Toledo	1 count failure to file sales tax returns
John Maloy Jr.	Jack & Son Lawn Care	Fostoria	1 count failure to file sales tax returns
Mary Chippman	Red River	Perrysburg	1 count failure to file sales tax returns
Michael Kestner	Amish Oak Gallery	Bowling Green	1 count failure to file sales tax returns
Ruth Ann Ramirez	Ruth Ann Ramirez	Fostoria	1 count failure to file sales tax returns
Richard Salem	Rick's Silver Moon	Perrysburg	1 count failure to file sales tax returns
Patrick Perz	Perz Fine Floors	Toledo	1 count failure to file sales tax returns
Kathy Thomas	Lincoln Candle Co.	Convoy	1 count failure to file sales tax returns
Joseph Kreger	Prescott Florist	Toledo	1 count failure to file sales tax returns
Jackie Gerten	Putnam Oil	Leipsic	1 count failure to file sales tax returns
Robert Anderson	Robert Anderson	Aurora	2 counts failure to file sales tax returns
Sandra Shough	Butterfly Café	Edgerton	2 counts failure to file sales tax returns
Neil Castaldi	Cleveland Italia	Cleveland	2 counts failure to file sales tax returns
Monica Speeth	Monica Speeth	Strongsville	2 counts failure to file sales tax returns
Ryan Docherty	North Coast Customs	Sandusky	2 counts failure to file sales tax returns
Timothy Seamon	Timothy Seamon	Bellevue	2 counts failure to file sales tax returns
Darrell Cummings	Loom Lodge	Bellevue	2 counts failure to file sales tax returns
Penny Johnson	Penny Johnson	Parma	2 counts failure to file sales tax returns
Ana Garza	Sterling Cleaners	Parma Heights	2 counts failure to file sales tax returns
Martin O. Moran	Martin O. Moran	South Euclid	2 counts failure to file sales tax returns
David Miller	David Miller	Maple Heights	2 counts failure to file sales tax returns
John Kandel	John Kandel	Berlin	2 counts failure to file sales tax returns
William Burroughs III	William Burroughs III	Dayton	1 count no vendor license
Dale Crowe	Dale Crowe	Monroe	1 count no vendor license
Gary Steele	Miracle Carpet Works	Williamsport	1 count no vendor license
Bindeshkumar Patel	Bindeshkumar Patel	Cincinnati	1 count failure to collect sales tax
Judith Lipps	Judith Lipps	Monroe	1 count failure to collect sales tax
Tao Wu	Tao Wu	Seattle	1 count failure to collect sales tax
Patricia Korn	Patrician Korn	Cincinnati	1 count failure to collect sales tax
Randle Studevent	Randle Studevent	Baltimore	1 count failure to collect sales tax
Garibou Sabo	Garibou Sabo	Dayton	1 count failure to collect sales tax

## Withholding Tax Violations

NAME	BUSINESS	CITY	VIOLATION
Scott Carter	Advanced Health Systems	Tallmadge	2 counts collecting and failing to remit withholding tax; 2 counts attempted theft
Tana Corporation	Tana Corporation	Toledo	4 counts collecting and failing to remit withholding tax; 4 counts theft

## Dyed Fuel Violations

NAME	CITY	VIOLATION
Richard Perry	Delaware	1 count using dyed fuel on the highway
Vernon Gilmore	Delaware	1 count using dyed fuel on the highway
John Jakubowski	Delaware	1 count using dyed fuel on the highway
Christine K. Behlke-Pauley	Bloomington	1 count using dyed fuel on the highway

# 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](http://tax.ohio.gov) and click on "Releases" in the Popular Links section at the top of the home page.

### Commercial Activity Tax

CAT 2006-09 - Commercial Activity Tax: Records Retention Requirements - Issued September, 2006.

CAT 2006-08 - Commercial Activity Tax: Situsing Receipts from Periodic Payments for Mobile Property; Issued October, 2006; Revised October, 2006

CAT 2006-07 - Commercial Activity Tax: Qualified Distribution Centers - Issued June, 2006; Revised July, 2006; Revised September 2006.

CAT 2006-06 - Commercial Activity Tax Credit for Unused Franchise Tax Net Operating Losses - Issued April, 2006.

CAT 2006-05 - Highway Transportation Services: Bright-Line Presence and Situsing - Issued April, 2006; Revised May, 2006; Revised August, 2006.

CAT 2006-04 - Commercial Activity Tax Cash Discounts, Defined - Issued April, 2006; Revised May, 2006; Revised June, 2006; Revised August, 2006.

### Corporation Franchise Tax

CFT 2006-01 - Questions Regarding Ohio's Manufacturing Machinery and Equipment Tax Credit and Subsequent Grant - R.C. 122.172, 122.173, 5733.33 & 5747.31 - Issued September, 2006.

### Excise Tax

XT 2006-01 - Excise and Motor Fuel Tax Division Information Release - Tobacco Requirements - Issued July, 2006.

## Income Tax

IT 2006-04 - Personal Income Tax: Nonresident Married Filing Jointly — Issued September, 2006.

IT 2006-03 - Personal Income Tax: Employer Withholding Tables — Revised Beginning October 1, 2006; Issued August, 2006.

### ***Tax Calendar at-a-Glance***

#### **Oct.**

- 16** Monthly Income Tax Withholding Returns
- 20** Monthly Kilowatt Hour (KWH) Tax Returns
- 23** Monthly Sales Tax Returns
- 23** Monthly Consumer Use and Direct Pay Returns
- 23** Quarterly Consumer Use Tax Returns
- 23** Quarterly Direct Pay Sales Tax Returns
- 31** Quarterly Income Tax Withholding Returns

#### **Nov.**

- 9** Commercial Activity Tax Quarterly Returns
- 15** Quarterly Income Tax Withholding Returns
- 15** Monthly Income Tax Withholding Returns
- 20** Monthly Kilowatt Hour (KWH) Tax Returns
- 20** Quarterly Natural Gas Distribution (MCF) Tax Returns
- 24** Monthly Sales Tax Returns
- 24** Monthly Consumer Use and Direct Pay Returns

#### **Dec.**

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

#### *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*

*Ohio's State Tax Report is published as an information source. The articles it contains do not represent official opinions of the Ohio Tax Commissioner. Letters to the editor should be addressed to:*

*Ohio Department of Taxation,  
P.O. Box 530, Columbus, Ohio 43216-0530.  
or e-mailed at: tax.ohio.gov*

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<i>Tax Commissioner .....</i>	<i>William W. Wilkins</i>
<i>Comm. Director .....</i>	<i>Gary Gudmundson</i>
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