

OHIO's



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Ohio Department of Taxation

Spring 2006

School Boost: Delinquency Program Nets \$2.8M

School districts in Ohio that rely on an income tax for part of their operational funding saw a nearly \$2.8 million boost to their coffers in the first quarter of 2006, thanks to a recently-completed school district income tax delinquency program run by the Ohio Department of Taxation (ODT).

For the first time in the delinquency program's history, ODT employed geo-coding to correctly place state income taxpayer addresses in the proper school district. This provided for more accurate targeting for notices mailed to those living in school districts with an income tax who had not filed a return.

The result was a net total of \$2,778,810 collected from 14,488 taxpayers. The additional revenue, collected for tax year 2002, was distributed in January to the 123 school districts that levied an income tax in that year. The amount given to each district is the amount collected in that particular district from its delinquent taxpayers.

The biggest winners in this process turned out to be three school districts in central Ohio. Big Walnut Local School District in southeast Delaware county saw the biggest gain

(\$315,287 from 346 taxpayers). In northwest Fairfield county, Pickerington Local School District netted \$136,162 from 639 taxpayers. Buckeye Valley Local School District in north-central Delaware county gained \$105,416 from 309 taxpayers.

New technology was instrumental in paving the way for success. The key was geo-coding software, an application developed under the sponsorship of the Ohio Department of Administrative Services and provided to ODT as part of the "Finder" package.

Located on ODT's Web site, the Finder can identify the appropriate taxing districts and tax rates for any address in the state to determine the applicable taxes, including municipal, sales and use and school district income.

However, while the Finder verifies only individual addresses, the underlying geo-coding system is able to verify a group of addresses. This capability was first tested last July against 1,500 state income taxpayers with addresses in taxing school districts.

According to Mike Sobul, ODT's

administrator of tax analysis, the kick-off to the tax year 2002 school district delinquency program was to geo-code the entire state income tax file. This was done through the combined efforts of ODT's Information Systems Division, Compliance Division and Taxpayer Service Centers, with the Dayton Taxpayer Service Center in the lead. For those instances in which a return was filed from a post office box,

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ODT checked with the Ohio Bureau of Motor Vehicles to find the address from vehicle registrations in the taxpayer's name. A driver's license address was used if there was no registration address.

After these steps were taken, if it was determined that the taxpayer's address was located in a district with a school income tax, a check was performed to see if there was a corresponding school district income tax return. In cases where there was no return, a notice was sent to the taxpayer. This process resulted in the mailing of 60,750 notices last September.

Responses came in from 49 percent of the taxpayers involved. The 51 percent who failed to respond received assessment letters billing them for the amount of school district income tax that ODT calculated to be due.

Out of the 29,825 taxpayers who responded, 14,488 were found to be truly delinquent in the tax. The average tax owed by these taxpayers was \$219. The program did generate some welcome news for 5,362 taxpayers who were found to be due a refund averaging \$73.

Those involved believe that this process provided a truer statewide picture of those who actually owed school district income tax for the 2002 tax year and established a more accurate foundation of data for future tax years. The proper identification of taxpayers liable for the tax has been a perpetual challenge. Despite the requirement to list the school district of residence on the state income tax return, many taxpayers end up listing the wrong one for a variety of reasons. Boundary lines sometimes cut through neighborhoods. New residents or residents without children may be unsure of which school district they live in. Some people may just want to evade the tax altogether.

"We've now got people who were in the wrong school district in the right place, whether they were doing it intentionally or not," Mr. Sobul commented. "This looks like it's more accurate."

The process worked to the advantage of 9,975 taxpayers, who were cleared of liability. Sometimes, geo-coding came up with the wrong result for taxpayers who lived near a school district boundary. If a taxpayer questioned where the program placed them, Sylvester Monroe, head of ODT's school district income tax unit, said ODT then checked with the local county auditor, who made the final determination on the proper school district for the address.

As might be expected, the delinquency program generated a significant volume of calls as well as return correspondence from affected taxpayers. The first two weeks after the notices were sent, phone calls were routed to the Dayton Taxpayer Service Center, which eventually handled most of the calls, according to agent supervisor John Tura in Dayton.

But all of the Taxpayer Service Centers worked in a cooperative effort to process this correspondence and handle the calls. The Cincinnati, Columbus and Youngstown Service Centers completed over 50% of the correspondence received, and all Taxpayer Service Centers assisted walk-in taxpayers and fielded phone calls. The entire program, in fact, was completed in partnership with all of the Taxpayer Service Centers and the Compliance Division. This is part of ODT's overall strategy to apply resources at critical times and places to reduce cycle processing times and thus increase efficiency and effectiveness.

Most of the calls received were from taxpayers questioning the school district placement for their address, which resulted in a check with the county auditor, Mr. Tura said. The second highest call volume came from members of the military who filed from an Ohio address. Some active duty members, primarily those assigned to Wright-Patterson Air Force Base, are out-of-state residents and are not liable for the tax.

Delinquency - Cont'd. from page 2

But many Ohio residents on active duty are liable under current law if their domicile, which according to federal law is the permanent address in their military records, is located in a taxing school district – even though they may actually live on or near military bases out of state or overseas. In these cases, Mr. Tura stated that all the agents can do is explain the law. But all of the work done for the 2002 delinquencies has given ODT a leg up on running the tax year 2003 program (in fact, notices for tax year 2003 were recently mailed). Mr. Sobul said that many of the identified taxpayers went ahead and filed returns for 2003 and 2004, while erroneous returns or addresses were also corrected to avoid repeat notices. And while Mr. Monroe noted that new school districts are added to the income tax ranks each year – currently, 153 districts levy the tax, an increase of 30 from 2002 – there appears to be little doubt that the department's joint efforts are paying off for Ohio schools.

“We put quite a bit of resources toward getting this done,” Mr. Tura concluded. “It’s worthwhile, and it’s a fairness issue for schools, and for those who file and do what they’re supposed to do.”

Bringing in the Bucks: Amnesty Program Nets Big Score

The six-week Ohio Department of Taxation (ODT) tax amnesty program has ended with a resounding success by collecting \$63 million.

Ohio Tax Commissioner William Wilkins attributed the success to a dedicated ODT staff, a comprehensive marketing plan that included grassroots efforts with statewide business and tax professional groups and a strategic paid advertising campaign with targeted television, radio and print ads and news releases to statewide media.

“It’s also important to recognize the foresight of Gov. Bob Taft and the Ohio legislature to authorize tax amnesty at this time,” Commissioner Wilkins said. “With the myriad of changes to Ohio’s tax code in recent months, it was a good time for Ohioans to review their tax history and use amnesty if it made sense for their situation.”

Commissioner Wilkins added, “The citizens of Ohio will benefit from the additional revenue collected, and those who came forward now have a clean slate within Ohio’s tax system.”

Vaughn Lombardo, who directed the amnesty program, attributed its success to television advertising and recent publicity about the U.S. Internal Revenue Service’s crackdown on tax avoidance schemes. He estimated that \$10 million to \$15 million of the total collected in the Ohio amnesty pro-



MAKING TAX AMNESTY WORK — Two ODT employees who worked to make the tax amnesty program such a success were (L-R) Angela Butler and Betty Soldatis-Hayes.

Tax Amnesty - Cont'd. from page 3

gram came from individuals who had attempted to avoid paying taxes by a variety of tax avoidance schemes.

The target for the program, set by the General Assembly in House Bill 66, was \$10 million. Of the \$63 million in unpaid taxes collected, roughly 37 percent came from individual income tax, 37 percent from corporation franchise tax and about 20 percent from sales tax.

Mr. Lombardo said employees from his Tax Discovery Division and from ODT's Sales and Use Tax Division were directly involved in the tax amnesty program, but he added that staff members from all over the department played a role.

The department received more than 4,700 amnesty applications, with many containing multiple tax returns. Department employees also fielded more than 12,800 phone calls and almost 29,000 visits were made to the tax amnesty Web site. The program ran January 1 through February 15. Amnesty was available to businesses and taxpayers who had unreported or underreported tax delinquencies. Those who qualified were able to avoid penalties and were only required to pay half the interest. Marketing costs for the program were about \$1 million, including \$700,000 devoted to advertising.

The Department of Taxation also conducted a tax amnesty program in late 2001 and early 2002 that collected about \$48 million. Mr. Lombardo said the experience gained from the prior amnesty program was valuable in the one just concluded.

Income Tax Refund Donations Make a Difference

For the first time this year, tax filers can donate a designated portion of their refund to the Military Injury Relief Fund to help soldiers injured in military operations in Iraq or Afghanistan.

This fund for injured soldiers joins two long-time partial-refund check-off funds that focus on Ohio's environment and wildlife. One is the natural areas fund for nature preserves, scenic rivers and endangered plant species. The other is the wildlife fund for endangered animal species and wildlife conservation.

Found on Line 27 of the 2005 Ohio income tax return (IT 1040), the new Military Injury Relief Fund was created by House Bill 66, the fiscal year 2006-2007 biennium budget bill. The Ohio Department of Job and Family Services is administering this new fund.

"The intent of the law is to thank these soldiers for their service and offer them a little compensation for their injuries," said John Savage, the agency's chief of Veterans Services and a retired Army first sergeant.

Rules for the fund are still being formulated, according to Mr. Savage, but he stated that compensation will be in the form of a lump-sum grant award with the amount to be determined. This grant will be available to any member of the military injured in either Operation Iraqi Freedom or Operation Enduring Freedom who was an Ohio resident at the time they apply, whether they are active duty or in the Reserves or National Guard. Mr. Savage estimates that between 700 and 800 service members will be eligible. Recipients can apply for an additional grant. In cases where the service member is deceased, he said the estate can apply for the award.

"The only criteria is that they've been awarded the Purple Heart," Mr. Savage said. "If they have a Purple Heart, that's definite proof that they qualify. We wanted to make it as least restrictive as possible." He added that since award of the

Check-offs - Cont'd. on page 5

Check-Offs - Cont'd. from page 4

Purple Heart must be approved by the military chain of command, it is usually definitive proof of a wartime wound or injury. Ohio becomes only the second state to have such a program. Illinois started a similar fund last year. Mr. Savage said Illinois took in about \$200,000 for that fund through tax refund donations. He expressed the hope that Ohio citizens will be even more generous. Ohio taxpayers who do not receive a refund can still make a donation. More information is available in the Ohio tax return instructions for Line 27.

Ohio's citizens have certainly shown an inclination toward generosity to the two nature funds, both administered by the Ohio Department of Natural Resources (ODNR). A total of 59,137 Ohioans donated to the natural areas fund last year, contributing \$465,363. The wildlife fund received \$421,571 from 57,444 taxpayers.

Calling the revenue critical, Heidi Evans, of ODNR's Natural Areas and Preserves Division, said the money contributed to the natural areas fund had been used primarily for land acquisition and maintenance. "Entire nature preserves have been purchased with this funding," she said. "We also have a number of species projects, everything from educating the public to eco-management like battling invasive plants within our preserves."

The donations have financed boardwalks, trails, observation decks and parking lots to help the public visit and enjoy Ohio's 130 state nature preserves and conservation easements along the shores of 12 officially-designated state scenic rivers. Ms. Evans singled out heavily-visited preserves like Chaparral Prairie in Adams County, Lakeside Daisy on the Marblehead Peninsula, Rockbridge in Hocking County and Johnson Woods in Wayne County as areas that have benefited from the donations.

"More than two dozen nature preserves exist solely because of this funding," she added.

Laura Jones, an ODNR spokesperson, said programs to bring the bald eagle and the peregrine falcon back to Ohio would not be possible without the wildlife fund. Bald eagle nests can now be found near the Westerville Community Center and along Cedar Run Road in Licking County. The program has taken flight since 1979 when there were only four bald eagles known to be nesting in the state. Last year, 125 bald eagle couples produced 136 offspring. Peregrine falcons are now nesting near Dayton, Orrville, Victory, Toledo and on the roof of the Rhodes Tower in Columbus (this particular bird can be observed via "falcon-cam" on the ODNR Web site).

Snowshoe hares, karner blue butterflies and trumpeter swans are other beneficiaries of the wildlife fund donations, Ms. Jones said, noting that they are used for such things as materials to establish habitats, research on various forms of wildlife and public education. "A variety of species have been reintroduced to Ohio," she said, adding that the donations have helped support the habitats these species need to survive.

"These are Ohioans who are making a direct impact, they're saying 'yes, this is important to me and I want to make a difference,'" Ms. Jones explained.

The natural area and wildlife fund donations are on Lines 28 and 29. The instructions tell where to send additional donations. More information and links to various resources can be found on ODNR's Web site.

Another standard is the Ohio Political Party Fund check-off box, found at the top right of the income tax return. The General Assembly created the fund in October 1987. Taxpayers have the option of sending one dollar of their tax liability – not of their refund – to this fund, while spouses of those filing joint returns can check a second box to contribute an

Check-Offs - Cont'd. on page 6

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additional dollar of their liability. About 6.0 percent of taxpayers checked a box to donate to this fund last year.

For the 2004 tax filing season, the Ohio Political Party Fund raised about \$420,377. The amount collected has declined by roughly 7.0 percent each year the past three years. Revenue from the fund is divided in accordance with Ohio law, which clearly spells out how the money is distributed "among all qualified political parties."

State law requires half of the money to be divided among the state executive committees of the parties, while the other half goes to each party's county executive committee in the "ratio that the number of check-offs in each county bears to the total number of check-offs."

Commissioner's Column

Technology Upgrade Will Help ODT Meet Goals



William W. Wilkins
Ohio Tax Commissioner

The Ohio Department of Taxation's three primary goals are improving customer service, enhancing compliance and modernizing the tax code. Replacing the current information technology infrastructure will go a long way toward accomplishing our first two goals.

Currently, there are 11 separate systems used to process most of taxes administered within the department. The department needs a modern and adaptable system that consolidates these processes into a single enterprise tax system.

A revamped information technology infrastructure will provide the department a new operational backbone, allowing the department to better serve taxpayers in the near term, as well as support the new demands brought about by tax reform passed by the General Assembly during 2005. The new information technology system will help ensure voluntary compliance, deliver new data sources and tools to identify non-filers and streamline the audit selection process.

The department has begun the process of selecting a system to replace our current information technology infrastructure. The department has hired Gartner Inc., a world-leading technology research and consulting firm to help with the selection process. Many of Gartner's consultants and researchers have worked with government for years and their focus is on the client's business needs.

We have established an internal structure for the procurement of a new system. I will lead the project as the sponsor, providing direction to the project director and promoting it internally and externally.

Deputy Tax Commissioner **Rick Anthony** has been appointed as the project director whose responsibilities include securing department resources and providing insight and assistance. In addition, **Chris Ross** has been appointed project manager and will manage the department's resources and the vendor on a day-to-day basis.

Replacing our current systems is an important step to fulfill the department's mission of providing quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

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 February and March 2006. These informational summaries of tax decisions are compiled by Peter Angus, legal counsel, Compliance Division.

Corporation Franchise Tax

Buckeye Publishing Co. v. Wilkins (March 3, 2006), BTA 2005-1733

A putative appeal was dismissed by the BTA because it was taken from correspondence from a Tax Commissioner's agent, not from a final determination of the Tax Commissioner, as required for jurisdiction by Ohio Revised Code 5717.02.

Individual Income Tax

Pierre Crespo v. Wilkins (March 10, 2006) BTA 2005-1234

The BTA affirmed the dismissal by the Tax Commissioner of a petition for reassessment for failure to comply with the payment requirements of Ohio Revised Code 5747.13(E). This section requires pre-payment of an assessment upon the filing of a petition for reassessment in certain situations, including if the taxpayer failed to file the annual return for the period(s) assessed.

Personal Property Tax Cases

Fichtel & Sachs Industries, Inc. v. Wilkins (2006), 108 Ohio St.3d 106

The taxpayer is an automotive parts wholesale distributor. During 2000 and 2001, it received shipments of clutch parts from outside Ohio at its Ohio warehouse. The workers at the warehouse assemble clutch kits, consisting of the three major clutch components as well as minor components and lubricants, and package them for shipment to customers outside Ohio. The taxpayer claimed the inventory was held for storage only and therefore qualified for a reduced listing percentage under Ohio Revised Code 5711.22. One of the requirements to qualify for the reduced listing percentage is that the property undergo no further manufacturing or processing while in Ohio. The BTA held that the assembling and packaging done by the taxpayer's workers added value to the product and constituted processing, so as to disqualify the taxpayer from claiming the reduced listing percentage. The Supreme Court reversed the BTA's ruling and held that no further processing had occurred, and therefore the property qualified for a reduced listing percentage.

OSAir, Inc. v. Wilkins (March 3, 2006), BTA 2005-121

Upon audit, certain property of the taxpayer was reclassified by the Tax Commissioner's agent as personal, rather than real. The taxpayer did not challenge the reclassification, but contended that the valuation was improper. The BTA held that a challenge to value through R.C. 5711.31 is only lawful if a written claim for deduction is made for assets valued on a return pursuant to R.C. 5711.18. In this case, the taxpayer did not list the assets on any personal property tax return. The BTA found that it was unable to reach a valuation conclusion without the taxpayer having filed a written claim for deduction under R.C. 5711.18. Without some justiciable issue, the appeal failed to vest jurisdiction with the BTA.

Real Property Exemption Cases

Strongsville Bd. of Edn. v. Wilkins (2006), 108 Ohio St.3d 115

In December, 1999, the Salvation Army filed with the Cuyahoga County Auditor an application for exemption under Ohio Revised Code 5709.12(B) for real estate taxes for 1999 and a remission of penalties for 1998. A certificate executed by

Court Decisions - Cont'd. from page 7

the county treasurer was attached to the application and indicated that when the Salvation Army filed the application it still owed \$813.28 in taxes from tax year 1997. The Tax Commissioner dismissed the application on the basis of Ohio Revised Code 5713.08(A), which provides, in part:

The commissioner shall not consider an application for exemption of property unless the application has attached thereto a certificate executed by the county treasurer certifying one of the following: (1) That all taxes, assessments, interest, and penalties levied and assessed against the property sought to be exempted have been paid in full to the date upon which the application for exemption is filed, except for such taxes, interest, and penalties that may be remitted under division (B) of this section;

Subsequent to filing the application, the property owner paid the outstanding taxes. The owner contended that the statute does not require that all taxes be paid at the time of filing the application, but allows the Tax Commissioner to consider the application if taxes are paid at some point prior to when the application is considered. The Supreme Court rejected this contention and affirmed the dismissal of the application.

Caruso/Hauck, LLC v. Wilkins (March 3, 2006), BTA 2005-166

Louis J. Marino, Trustee v. Wilkins (March 17, 2006), BTA 2005-1734

Town Square Villas Clubhouse v. Wilkins (March 31, 2006), BTA 2005-114

In these three cases, applications to have real property placed on the exempt lists were accompanied by county treasurers' certificates that indicated that taxes, penalties and interest remained unpaid for the current or previous year. In *Marino*, the treasurer's certificate indicated that a special assessment, together with penalties and interest thereon, also remained unpaid for tax year 2003. The BTA affirmed the Tax Commissioner's dismissal of the applications for lack of jurisdiction under *Strongsville Bd. of Edn. v. Wilkins*, 108 Ohio St.3d. 115, where the Supreme Court determined that the existence of nonremittable taxes that remain unpaid at the time the application is filed, as reflected by the county treasurer's certificate attached to the application for exemption, operates to deprive the Tax Commissioner of subject matter jurisdiction over the application.

Sales / Use Tax

Peterbilt of Northwest Ohio v. Wilkins (February 10, 2006), BTA 2004-1429

A motor vehicle dealer was assessed for a motor home, motor coach and trailers which it purchased and customized for personal use. The dealer claimed the vehicles were exempt pursuant to Ohio Revised Code 5739.02(B)(33), which exempts property used in highway transportation for hire. However, the dealer had no authorization to engage in highway transportation for hire and in fact did not use the vehicles for that purpose. The appeal was rejected and the assessment was affirmed.

Red Rose Inc. v. Wilkins (February 24, 2006), BTA 2005-284

The operator of a deli was audited for sales tax. It had not maintained records as required by Ohio Revised Code 5739.11. Therefore, the audit was conducted by an analysis of purchases from suppliers. In his appeal, the deli operator contended that the mark-up percentage used by the Tax Commissioner's agent was too high. However, because the taxpayer could not demonstrate error in the formula or the results of the audit, the BTA rejected the appeal and affirmed the final determination of the Tax Commissioner.

Court Decisions - Cont'd. from page 8

Jay Industries Inc. v. Wilkins (February 24, 2006), BTA 2005-A-693

A taxpayer was audited and assessed use tax on its purchases of pollution control equipment during the period 1999-2001. It sought review of the assessment based on its application for a pollution control certificate which it said was submitted in 2002. However, it could not establish that the application had, in fact, been filed. Accordingly, the BTA affirmed the use tax assessment on the purchases.

Eugene Dezanett v. Wilkins (March 10, 2006), BTA 2004-1446

The proprietor of a citizens' band radio store, operating without a vendor's license, made numerous sales of merchandise over a period of time. He was assessed sales tax on his sales. He contended that since he did not have a vendor's license, he was not subject to the collection and remitting obligations of Ohio Revised Code Chapter 5739. The BTA held that the sales tax statute applies to all those making taxable sales in Ohio, including those doing so without a vendor's license. The assessment was affirmed.

Michael Bowser v. Wilkins (March 3, 2006), BTA 2004-1393

The BTA affirmed an estimated assessment issued to a vendor who did not file a return for December, 1999, either timely or after he received the assessment.

Alan Myer v. Wilkins (March 24, 2006), BTA 2005-127

The BTA affirmed an assessment for personal liability for unpaid sales tax against a corporate secretary/treasurer who owned 1/3 of the corporate stock in the corporation holding the vendor's license. The secretary/treasurer maintained that the corporation was unable to make sales tax payments because its primary creditor had almost complete control over the corporation's funds. The BTA noted that the agreement between the creditor and the corporation required the corporation to make sales tax payments. The BTA affirmed the personal liability of the secretary/treasurer because he was one of the corporate personnel which Ohio Revised Code 5739.33 makes personally liable for unpaid sales tax owed by a corporation.

TAX*enforcementnews*

The following convictions were secured by the Enforcement Division of the Ohio Department of Taxation in November and December 2005 and January 2006. Enforcement News is compiled by Robert M. Bray, administrator, Enforcement Division. Fraud complaints can be e-mailed to Taxenforcement@tax.state.oh.us.

Sam Khatib, owner of Sam Kahtib, Inc., doing business as Amy's Beverage and Deli, located in Cleveland, pleaded guilty to the fifth-degree felony charge of filing a fraudulent sales tax return. Based upon allegations and an undercover buy, it was determined that sales tax was not being charged on taxable items.

An audit found that taxable sales were under reported by \$61,910.83 (including penalty and interest) for tax years 2003

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and 2004. Mr. Khatib remitted a check in the amount of \$24,000.00 before sentencing and was ordered to pay the remaining balance due.

Waleed Khalaf, manager of operations of Lina's Discount, Inc., located in Broadview Heights, pleaded guilty to one count of attempted trafficking in other tobacco products with intent to avoid tax (a fifth degree felony). An inspection by ODT enforcement agents found untaxed other tobacco products on display for sale.

After a review of invoices, it was determined that taxes had not been paid and the untaxed property was seized. Mr. Khalaf was ordered to pay full restitution of \$7,634.00 in addition to the \$5,450.92 already paid in excise tax.

Charles Hildebrandt, former CEO of NKPB, LLC, located in Morrow, pleaded guilty to one count of collecting and failing to remit sales tax (a fourth-degree felony) and one count of tampering with records (a third-degree felony). A complaint was received from the Attorney General's Office concerning the sale of a vehicle to Mr. Hildebrandt with the purchase price being substantially under reported.

An enforcement investigation determined that sales tax was underpaid and that a fraudulent document was created to reflect the lower purchase price. Mr. Hildebrandt was sentenced to five years and five months in prison. He also paid full restitution of \$1,800.00.

Ibrahim Almalhi, owner/operator of Perfect Sounds, located in Cincinnati, pleaded guilty to two counts of collecting and failing to remit sales tax (a fourth-degree felony) and one count of theft (a fourth-degree felony). An investigation indicated that the business had collected sales taxes without filing sales tax returns and remitting the money. Mr. Almalhi paid \$10,000.00 of the \$25,641.36 liability prior to sentencing.

Cigarette/Other Tobacco Products Violations

NAME	BUSINESS	CITY	VIOLATION
Yadwinders Ahluwalia	Walia Walia, Inc.	Cincinnati	1 count no cigarette license
Siam Izzedean	Siam Izzedean	Cincinnati	1 count no cigarette license
David Nicholas	Nicholas Music & Vending	Cincinnati	1 count no cigarette license
David Nicholas	Charlies Lounge	Cincinnati	1 count no cigarette license
Daniel Morah	Daniel Morah	Xenia	1 count no cigarette license
Eddie Asmaro	Asmaro Brothers Investments	Toledo	1 count no cigarette license
Khaled Khaalifeh	Khaled Khaalifeh	Cincinnati	1 count no cigarette license
Sirek Geberegeorgis	Sirek Geberegeorgis	Cincinnati	1 count no cigarette license
Raes Khan	Bismallah Enterprises	Dayton	1 count failure to post cigarette license
Maria Ibarra	La Estrillita	Cincinnati	1 count retailer in possession of untaxed cigarettes
Barbara Parker	Fairmount Carry Out	Cincinnati	1 count retailer in possession of untaxed cigarettes
Waleed Khalaf	Lina Discounts	Broadview Hts	1 count trafficking in other tobacco products with intent to avoid tax

*Enforcement News - Cont'd. from page 10***Sales Tax Violations**

NAME	BUSINESS	CITY	VIOLATION
John Ayling	Arnie's	Toledo	1 count failure to file sales tax returns
Brett Gibson	Pickles & Ice Cream	Maumee	1 count failure to file sales tax returns
Jassam Jamil Kizy	ODCO Investments	Perrysburg	1 count failure to file sales tax returns
Majid Shamoon	Shamoon Inc.	Sterling Heights	1 count failure to file sales tax returns
Juan Chavarria	Be-Bop Diner	Sandusky	1 count failure to file sales tax returns
Darrin Brown	The Hook Up	Cincinnati	1 count failure to file sales tax returns
Michael Wagner	Michael Wagner	Dover	1 count failure to file sales tax returns
Valentine Nowak	Valentine Nowak	Bridgeport	1 count failure to file sales tax returns
William Malone	No. Ohio Cash Register	Toledo	1 count failure to file sales tax returns
Tim McCann	McCann's Fishermans Wharf	Port Clinton	1 count failure to file sales tax returns
Calvin Bell	Diamond World	Toledo	1 count failure to file sales tax returns
Sjann Gray	G&S Towing	Wilmington	1 count failure to file sales tax returns
Howard Fletcher	Fletcher's Home & Car Audio	Middletown	1 count failure to file sales tax returns
Gwendolyn Spates	Fit Challenge	Bedford Heights	1 count failure to file sales tax returns
Eric Bennett	One Wheel	Lima	1 count failure to file sales tax returns
James Hutchinson	Henson Frame & Axle	Lima	1 count failure to file sales tax returns
Randy Goldheimer	International Fitness	Cleveland	2 counts failure to file sales tax returns
Rick Dudley	Holding Corporation	Pickerington	2 counts failure to file sales tax returns
Kelly Norris	Holding Corporation	Pickerington	2 counts failure to file sales tax returns
Paul Petro	Petro's Lawn Care	Lorain	2 counts failure to file sales tax returns
Patrick Jaqua	Jaqua Partners	Findlay	2 counts failure to file sales tax returns
Delano Kight	Lawn Pro Napoleon	Napoleon	2 count failure to file sales tax returns
Dawn M. Pope	Dawn M. Pope	Bellefontaine	2 counts failure to file sales tax returns
Ming H. Wu	Soho Japanese Bistro	West Chester	1 count no vendor's license
Genevieve Wittenmyer	Wittenmyer	Findlay	1 count no vendor's license
Tara Lansing	8 & Up Tattoos	Hillsboro	1 count no vendor's license
Daniel Golz	Daniel Golz	Columbus	1 count no vendor's license
Steve Ifetiha	Starr Carry Out	Toledo	1 count failure to collect sales tax
Ibrahim Almalhi	Perfect Sounds	Cincinnati	2 counts collecting and failing to remit sales tax
Chuck Hildebrandt	NKPB LLC	Cincinnati	2 counts collecting and failing to remit sales tax, 1 count tampering with records
Sam Khatib	3133 Payne Inc.	Cleveland	1 count filing a fraudulent sales tax return
Jeffrey Lauback	Fitzgerald's Sports Tavern	Columbus	1 count of theft
Durand Parker	Revelation Auto Sales	Cleveland	1 count of falsification
Matthew Molnar	Parkside Auto Mall	Austintown	1 count of falsification
Angel Camacho	Fontera Auto Sales	Hamilton	1 count of falsification

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.

Information Releases - Cont'd. from page 12**Commercial Activity Tax**

CAT 2006-02 - Suggested Document for the Exclusion for Automobile Dealers to Meet a Customer's Preference. Issued March, 2006

CAT 2006-03 - Draft rule defining agency for purposes of Chapter 5751 of the Revised Code. Issued April, 2006

CAT 2006-04 - Draft rule clarifying that cash discounts are to be excluded from a taxpayer's gross receipts in calculating commercial activity tax liability. Issued April, 2006

CAT 2006-05 - Draft rule addresses highway transportation services for purposes of Chapter 5751 of the Revised Code. Issued April, 2006

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

Personal Income Tax

IT 2006-02 - Inapplicability of Ohio Resident Credit with Kentucky Corporate Income Tax. Issued March, 2006

Tax Calendar at-a-Glance**April**

- 17** Annual Income Tax Returns
- 17** Quarterly Estimated Income Tax Returns
- 17** Monthly Income Tax Withholding Returns
- 20** Monthly Kilowatt Hour (KWH) Tax Return
- 24** Monthly Sales Tax Returns
- 24** Monthly Consumer Use and Direct Pay Returns
- 24** Quarterly Consumer Use Tax Returns
- 24** Quarterly Direct Pay Sales Tax Returns

May

- 1** Quarterly Income Tax Withholding Returns
- 10** Quarterly Commercial Activity Tax Returns
- 10** Annual Commercial Activity Tax Returns
- 15** Monthly Income Tax Withholding Returns
- 22** Monthly Kilowatt Hour (KWH) Tax Return
- 22** Quarterly Natural Gas Distribution (MCF) Tax Returns
- 23** Monthly Sales Tax Returns
- 23** Monthly Consumer Use and Direct Pay Returns

June

- 15** Monthly Income Tax Withholding Returns
- 15** Quarterly Estimated Income Tax Returns
- 15** Monthly Income Tax Withholding Returns
- 20** Monthly Kilowatt Hour (KWH) Tax Return
- 23** Monthly Sales Tax Returns
- 23** 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*

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