

# OHIO's



## statetaxreport

No. 80

Ohio Department of Taxation

Summer 2006

### ***ODT Changes Delinquent Tax Penalties***

The Ohio Department of Taxation (ODT) has changed some of its penalties on tax assessments imposed through its automated compliance programs to encourage better compliance by taxpayers. The change also reflects the costs associated with more intensive compliance efforts. The change will ensure fairness for all the taxpayers who are filing and paying on time.

The change reflects the increased attention that ODT is giving to taxpayers who fail to comply with filing and payment requirements that lead to a tax assessment having to be issued from one of the department's automated compliance programs.

In June, the penalties imposed for an assessment under one of ODT's automated compliance programs were increased. These penalties will only be reduced if penalty remission is requested. In general, a request for reduction of penalty will only be granted if unique circumstances exist. Any reduction granted would likely only be a partial one.

With delinquent programs, estimated assessments are often issued. If documentation is received to reflect a different tax liability from that assessed, most of those assessments will be adjusted using the corrected assessment process.

For more information on corrected assessments, see Information Release G 2002-01 *Modified Appeal Procedures – Corrected Assessments*.

### ***Athletes Pay When They Play***

Like 20 other states and the District of Columbia, Ohio currently levies income tax on the pay of professional athletes and team staff based on employer withholdings for the "duty days" that the teams are active in the state.

For calendar year 2005, based on employer withholdings, the income tax on athletes hauled in nearly \$119.3 million – \$93.6 million from Ohio teams and \$25.6 million from visiting teams, according to Ohio Department Taxation (ODT) agent supervisor Richard Six, of the Income Tax Division, who heads up this tax collection effort.

The duty days concept, he explained, is used to determine the amount of income to allocate to Ohio and is based on the number of days that a player (or coach, manager, trainer or other travel staff) is employed by a professional team. Duty

*Athletes - Cont'd. on page 2*

#### ***What's Up Inside . . .***

*Commissioner's Column ..... 4*

*Internet Cigarettes ..... 5*

*ODT Employee Honored ..... 6*

*Court Decisions ..... 7*

*Enforcement News ..... 8*

*Information Releases ..... 10*

*Tax Calendar ..... 11*

## *Athletes - Cont'd. from page 1*

days include days employed for all games, practice, team meetings and promotional events, but does not include days when a player is not compensated or does not perform services for the team, such as a suspension.

“For nonresidents, income allocation is based on the compensation they earned for services rendered during their duty days in Ohio and everywhere,” Mr. Six said. “You have to determine the number of Ohio duty days and everywhere duty days. You then multiply the athlete’s compensation for services rendered by a fraction. The numerator of the fraction is the number of Ohio duty days and the denominator is the number of everywhere duty days, and the product is the amount of income allocated to Ohio.”

Ohio duty days do not include days that a player was on the disabled list. If the athlete receives treatment in Ohio while the team plays in Ohio, the days spent receiving treatment in Ohio are not counted as Ohio duty days, unless the athlete is undergoing treatment at the team’s Ohio facilities.

The duty-day method for allocating compensation can apply to resident athletes and nonresident athletes. For Ohio resident athletes, the duty-day calculation determines the amount of income subject to tax in other states for which the Ohio resident will receive a credit for income taxes paid to other states or the District of Columbia. Nonresident athletes allocate income to Ohio based on their duty days in the state and receive a nonresident credit, based on the income not allocated to Ohio.

Professional athletes who reside in Ohio, like the rest of us, are subject to individual income tax on all their earnings, including signing bonuses and endorsements, not just the income during their duty days. Nonresident athletes, however, are subject to Ohio income tax only on compensation that is connected with services performed for the team while in the state. Unless they require nonresident athletes to play a certain number of games, nonrefundable signing bonuses are not included in the compensation subject to the duty-day allocation formula.

Duty days can also count as contact periods for establishing Ohio residency. Players from visiting teams and nonresident players of Ohio teams are only liable for income earned during their duty days in this state. Tax is withheld from this income by the team that employs them, wherever the team is located.

The tax on athletes is authorized by Ohio Revised Code 5747.02, which states that every individual who earns or receives income in Ohio is liable for income tax. A separate provision in the code, R.C. 718.011, provides an exception that allows municipalities to also tax the pay of athletes who earn income there.

Because of the unique situations of professional athletes, collection of the tax has been problematic over the years for the ODT. The current procedures, Mr. Six said, trace their history back to the 1991 Board of Tax Appeals (BTA) case *Hume v. Limbach*, involving Tom Hume, a former Reds pitcher in the late 70’s and early 80’s and the team’s current pitching coach.



**Starting Line-Up** - Two key team members of ODT's athlete tax team are Jim Golden and Kylie Tanner.

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## *Athletes - Cont'd. from page 2*

During his playing days, Hume filed income tax returns as an Ohio nonresident, leading to a challenge from the state as to how he calculated his nonresident credit. His credit was reduced on audit, which led Hume to appeal to the umpire, so to speak, in this case the Board of Tax Appeals. He contended that a state couldn't look at a baseball player's income in terms of salary for only a 162-game season, but that the income allocation must include other days for which an athlete performs services: including spring training and exhibition games in Florida. Hume came out the winner, causing the state to change its approach.

"It was an important case for us – it defined the way we tax nonresident athletes," Mr. Six said. "You have to look at all the days they're performing during the year, meaning all their duty days in Ohio as well as other places. This is a common approach in other states in taxation of athletes."

Many high-profile athletes have pass-through entities or S-corporations set up in their behalf, which in turn pays them both their business income and their wages. "This makes compliance a very tough thing to determine," Mr. Six said. "You're looking for an entity rather than an individual, and you have to determine if an S-corp or an individual is filing a return."

Another complicating factor is income earned in Ohio by athletes of visiting teams who are residents of the "reciprocity" states that border Ohio. Current state law excludes income earned in Ohio by a reciprocity state resident from taxation in Ohio.

Despite the inherent problems, Mr. Six said Ohio receives tax returns from 98 percent of the professional athletes who play in the state. Many professional athletes have the means to live where they choose, and the state normally accepts an athlete's declaration of residency for any state and then checks to make sure the Ohio income is allocated correctly and the proper amount of tax is remitted. "The taxpayer tells us where they live," Mr. Six said. "If we have a doubt, it's up to the department to establish the contact periods in the state."

Ohio did lay down the glove to boxer Mike Tyson in 2003 in the case of *Tyson v. Zaino*. Tyson had filed income tax returns for 1995 and 1996 as an Ohio resident, but later filed amended returns claiming nonresidency. The department challenged his claim. The BTA ruled that Tyson had spent enough contact periods in the state to qualify as a resident.

ODT has its own small but dedicated team to make sure that tax revenue from athletes is always hitting the sweet spot. "If you want to play in Ohio, you've got to pay, one way or the other," said ODT tax agent Jim Golden. "It's a constant process of going after teams to make sure they're registered and are withholding."

Mr. Six credited ODT employees Denny Weaver and Jim Stewart, along with Mr. Golden, as being the "driving force" behind how the athlete tax is administered today. Rounding out the current athlete tax line-up are ODT's Kylie Tanner and Theresa Burns.

Having an interest in sports, though, does help to do the job. Mr. Golden is a self-confessed sports junkie, which he attributes to him being assigned to the tax in the first place. Ms. Tanner said she's more interested in Ohio State football and the NFL's Miami Dolphins, but has learned a lot about baseball and other sports teams in the process. Ms. Burns, who admits to not being a sports fan, is nonetheless the research cog of the team.

All agree that the major challenge is compliance. After obtaining rosters and tax records from all teams to verify withholding for athletes active during the team's duty days in Ohio, ODT manually cross checks withholding payments to determine whether an athlete has filed an individual return. This requires extensive Internet research regarding the teams and indi-

### *Athletes - Cont'd. from page 3*

vidual players related to schedules, disabled lists and minor league demotions and call-ups. If an athlete had wages withheld without filing an individual return, a letter is generated and followed up on, which quickly becomes more a matter of dealing with business agents rather than most of the players themselves.

“It’s hard to get a response,” Ms. Tanner acknowledged, “not from the players but from their CPAs. It’s amazing some of the mistakes that are made, usually by out-of-state teams, like withholding Cleveland city tax and claiming that as Ohio income tax.”

“We’re always asking to see the W-2s of the players to make sure they’re complying with Ohio tax laws,” Mr. Golden said. “We’re making sure the state gets what it deserves.”

While only younger or less-visible players tend to be involved in their own returns, Ms. Tanner related one incident that involved an athlete’s father who called ODT and said his son was on military duty and was not playing. “But I had him on the active roster,” she said. “So I told him he had to produce papers proving he was in the military. I never heard back.”

Pulling team duty-day and tax data together is the task of Ms. Burns, who does most of it from her computer. She accesses information and prepares monthly spread sheets for all teams’ withholdings, and also cross-checks to make sure they’ve made the corresponding payments. “It’s all just research to me,” she commented. “It’s definitely a plus that I don’t have to deal with the teams.”

“It doesn’t matter what team you play for, it’s how many days you spend on the active roster in Ohio,” Ms. Tanner concluded. “If you’re active, you owe.”

#### *Commissioner’s Column*

### ***Steps to Modernize Computer System Underway at ODT***



*William W. Wilkins*  
*Ohio Tax Commissioner*

Talk of a new computer system at the Ohio Department of Taxation has been going on for a number of years. Last year, we made the commitment to make the project - known as STARS (State Taxation Accounting and Revenue System) - happen. We will soon take a number of additional important steps to reinforce our commitment and give the project a great deal of momentum.

The first step, taken several weeks ago, was the department's establishment of a project team led by me as project sponsor, Deputy Tax Commissioner Rick Anthony and Project Manager Chris Ross. The second step was the hiring of Gartner, Inc., a world leader in technology research and consulting services.

Gartner was brought in on the project in the first part of January. They are helping us with the RFP (Request for Proposals) and among other things are working hard to finalize, tidy up and present the RFP in a manner that will be in the best interests of the state and our department.

Gartner has already conducted many workshops with the project’s advisory committee members and stakeholders. The advisory committee consists of Fred Nicely and Fred Church, deputy tax commissioners; Kevin McNeil, chief fiscal officer; and Jim McAndrew, chief information officer. The stakeholders are made up of executive administrators and administrators of ODT.

### *Computer System - Cont'd. from page 4*

Once the RFP is available, ODT personnel in conjunction with the Ohio Office of Information Technology will evaluate the responses and ultimately decide which system to buy. Then the Controlling Board, a panel composed of six state lawmakers, must approve the purchase. Despite the number of hoops to jump through, our goal is to have a vendor on site by the end of 2006 or in 2007.

While we cannot yet foresee the details of the new system, it will bring us a much more efficient and user-friendly computer system and that's good news for taxpayers.

## ***Ohio Smokers Owe for Internet Purchases***

Smokers across Ohio who have surfed the Internet to purchase cheaper cigarettes may receive an unexpected notice in the mail. The Ohio Department of Taxation (ODT) is sending out bills for unpaid cigarette and sales taxes. More than 8,000 people will be billed for taxes they owe, but didn't pay for online cigarette purchases between 2002 and 2005. The bills total more than \$2.5 million in unpaid cigarette excise and use taxes. In a similar program last year, ODT collected \$16,000 from a much smaller list of tax violators.

The larger number of bills going out this year is due to five Internet vendors providing ODT with the names, addresses and quantity of cigarettes they sold to customers in Ohio. The companies provided that information because of legal action by attorney generals in several states. The cigarette vendors are required to report that information to states because of the federal Jenkins Act.

The largest single bill, to a Cuyahoga County resident, is \$9,013.71 for unpaid cigarette and sales taxes for 575 cartons of cigarettes purchased in 2005. A Stark County resident will be receiving bills totaling nearly \$10,000 for purchases in 2002-03.

A number of tax bills are in the \$3,000 to \$4,000 range and many are higher than \$1,000.

To avoid penalty and the accrual of additional interest, those billed must pay in full within 20 days of receipt. Those who don't will be subject to penalties and assessments, ODT officials emphasized. The state and each of its 88 counties will receive tax money from the ODT collections.

Taxes owed vary in part because both cigarette and sales tax rates have been changing. The cigarette tax went up from 24 cents to 55 cents a pack in 2002, and then to the current \$1.25 a pack in 2005. In Cuyahoga County there is an additional tax of 4.5 cents per pack. The state portion of the sales tax moved from 5% to 6% in July, 2003 and then dropped back down to the current 5.5% rate July 1, 2005.

Cigarettes are subject to both the cigarette excise and sales taxes. Technically, both taxes are being imposed as a use tax. These use taxes are complementary in nature and rate to the taxes imposed on cigarettes and are levied in cases where a consumer purchases a product on which no tax is imposed.

ODT officials expect to see less billing in the future because of a new state law (part of the House Bill 66 budget bill for 2006-2007), requiring all cigarettes be purchased face-to-face. That law makes it a crime punishable by a fine of up to \$1,000 per incident for someone who purchases cigarettes from the Internet or otherwise does not buy them face-to-face.

## ***IRS Honors ODT Employee for Promoting E-File***

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The Internal Revenue Service isn't known for giving things out, so it's definitely a significant event when they do. The efforts of one employee to get the word out about IRS electronic tax filing led to formal recognition of his and the Ohio Department of Taxation's contributions last month in a ceremony at the ODT Northland facility in Columbus.

Terry Wadlington, of ODT's Forms Division, earned the IRS special award for his outstanding effort and support in promoting the Federal e-file program in more than seven million Ohio tax publications during the 2006 filing season.

"I was totally surprised; I wasn't expecting anything," Mr. Wadlington said after the ceremony. "It was all in a day's work." So much so, in fact, that Mr. Wadlington thought he and Michelle Stover of Forms were merely being called into a routine meeting with other ODT personnel, when in fact it was a cover for the ceremony.

It was certainly anything but routine for the two IRS representatives on hand, though, who both hailed from the downtown Columbus office. Cheryl Mills-McCoy, IRS senior tax specialist, explained that one of the annual productivity goals of each of its offices in Cleveland, Columbus and Cincinnati is outreach to taxpayers, measured in terms of numbers of taxpayers contacted.

"It made us all meet our production for the entire year in one swoop," Ms. Mills-McCoy said in presenting the award.

It started with a dialogue between the IRS Cincinnati office and Mr. Wadlington as a way of getting a key IRS message out through state channels. While the IRS commended him for making it a priority to include what he termed a "blurb" about IRS e-file in Ohio's tax instructions, Mr. Wadlington viewed it simply as a way of helping another tax agency.

"We just applied the language (about e-file) to our tax publications," Mr. Wadlington said, regarding the 1040 forms and instructions, Ohio I-File (the state's free electronic tax filing option) mailers and telefile booklets going out to individual taxpayers, banks, libraries and post offices, nearly seven million pieces of mail in all. "We're trying to promote paperless filing," he added. "We're glad to make a contribution to improving relations with another tax agency."

The outcome was more like an endowment than a simple contribution, however. Although figures for Ohio are still being compiled, current IRS figures state that 57 percent of all federal taxpayers used e-file this filing season, according to governmental liaison **Jackie Nielson**, who also represented the Cincinnati office. This is a 6.2 percent increase from last year and marks an all-time high. E-filing can be done either through a paid tax preparer or using commercial software; free filing is available for those with adjusted gross incomes not exceeding \$50,000.

Mr. Wadlington didn't take any personal credit for the IRS' success, however. "These are the guys that made it all happen," he explained after the presentation, citing his co-workers.

Later, Mr. Wadlington said the process for preparing tax forms and instructions is very deliberate and requires many people to compile and review the information that goes into them several months ahead of tax season before anything is actually published. The Forms Division must also work with ODT's operating divisions to make sure forms are properly designed and published in a timely fashion for all taxes. Mr. Wadlington said he also speaks regularly with other state tax departments to get tips on more effective forms.

"I try to listen to everybody in our department on where we need to make changes and on other issues," Mr. Wadlington said. "I want to make forms better for the taxpayers, that's what we're out there to do – it's all tax agencies working

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## IRS Award - Cont'd. from page 6

together.”

The IRS certainly doesn't dispute that. They also don't present many awards to state agencies, Ms. Neilson said, only a limited number each year based on significant impacts.

# 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 April and May 2006. These informational summaries of tax decisions are compiled by Peter Angus, legal counsel, Compliance Division.*

## Corporation Franchise Tax

*DaimlerChrysler Corp. v. Cuno* (2006), 126 S.Ct. 1854

The United States Court of Appeals for the Sixth Circuit found that the Ohio franchise tax credit for investment in new machinery located in Ohio, but not in other states, violated the Commerce Clause. Certiorari was granted by the U.S. Supreme Court. The Supreme Court reversed the holding of the appeals court on the basis that the plaintiffs, who are citizens and taxpayers in Ohio, do not have standing to bring an action challenging a state tax credit provision. The plaintiffs' principal claim was that the franchise tax credit depletes state funds to which they contribute through their taxes, and thus diminishes the total funds available for lawful uses and imposes disproportionate burdens on them. However, the Supreme Court held that this is insufficient to establish standing under Article III of the U.S. Constitution.

## Personal Property Tax

*Ohio Blenders, Inc. v. Wilkins* (May 5, 2006), BTA 2005-117

The two-year statute of limitations for the 2002 personal property returns expired August 9, 2004. The taxpayer mailed its amended 2002 return on August 2, 2004, and it was received by the Ohio Department of Taxation on August 16, 2004. The Department informed the taxpayer that no correction or amendment could be made because its amended return was untimely filed. The taxpayer appealed, and the BTA upheld the Department's action since the statutory filing requirements are jurisdictionally mandatory.

## Real Property Exemption

*Community Health Professionals, Inc. v. Wilkins* (May 5, 2006), BTA 2004-689

A community health provider which offers hospice care and other services sought exemption from real estate taxes under Ohio Revised Code 5709.12 and 5709.121 for real property used exclusively for charitable purposes. Eighty percent of the costs of the taxpayer's services are paid by Medicare; the balance is paid by private insurance. The taxpayer foregoes collection on unpaid balances. On review of the facts, the BTA held that the taxpayer's real property is exempt. This case has been appealed to the Ohio Supreme Court.

*Court Decisions - Cont'd. from page 7***Sales/Use Tax**

*Strategic HR Partners, Inc. v. Wilkins* (May 5, 2006), BTA 2005-100

An employment service which provides temporary employees was assessed sales tax on its sales under Ohio Revised Code 5739.01(B)(3)(k). It contended that some of its sales were exempt under Revised Code 5739.01(E)(1) because the services were resold by its customers in the same form as they were received. However, the BTA rejected this contention since the customers in question were not themselves employment services making sales.

*MDV Enterprises, Inc. v. Wilkins* (May 5, 2006), BTA 2004-1319

The operator of a medium-sized nightclub reported unusually low percentage of taxable sales on its sales tax returns, and so an agent of the Department of Taxation initiated an audit. The nightclub operator had failed to keep adequate, auditable sales records, as required by Ohio Revised Code 5739.11, so the agent contacted the suppliers of the nightclub to obtain purchase records. The agent applied a markup percentage to these and used the result as the gross sales figure for the audit. The BTA upheld the audit methodology over the taxpayer's objections because Revised Code 5739.13 gives the Tax Commissioner's agents the ability to assess based on 'information in the commissioner's possession' when the vendor has not maintained adequate sales records. Additionally, the vendor did not present evidence to refute the audit findings.

*Beall Homes, Inc. v. Zaino* (May 19, 2006), BTA 2002-1309

A mobile home vendor was assessed unpaid sales tax on its sales of mobile homes. Other than general objections to the audit and the amounts assessed, the vendor did not specify how the assessment was purportedly erroneous. The BTA affirmed the Tax Commissioner's final determination.

*Yellow Transportation, Inc. v. Wilkins* (May 26, 2006), BTA 2004-1113

A trucking company sought exemption from sales/use tax under the "transportation for hire" exemption of Ohio Revised Code 5739.02(B)(32) for its "yard tractors". These tractors are the smaller power units which move and re-arrange loaded and unloaded trailers at the company's terminals. This movement is necessary to position trailers with the "highway tractors" which pull them on the road. The BTA held that the "yard tractors" are exempt from sales/use tax because they are engaged in moving property of others, although the movement is only within the confines of the company's terminals.

# **TAX***enforcementnews*

*The following convictions were secured by the Enforcement Division of the Ohio Department of Taxation from February through April 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).*

**Kent Berheide**, owner/operator of Kalida Pro Hardware in Kalida pleaded guilty to one count of theft, a felony of the fifth degree. An anonymous complaint was received that Kalida Pro Hardware was collecting but failing to remit sales tax to the state of Ohio. A review of the department's computer records indicated that sales tax returns were missing for various months. An undercover buy found that sales tax was being charged. Berheide was sentenced to 10 months in prison and ordered to pay restitution.

*Enforcement - Cont'd. on page 9*

*Enforcement - Cont'd. from page 8***Sales Tax Violations**

<b>NAME</b>	<b>BUSINESS</b>	<b>CITY</b>	<b>VIOLATION</b>
David M. Zimmerman	David M. Zimmerman	Columbus	1 count failure to file sales tax returns
Thomas H. Schneider	Thomas H. Schneider	Columbus	1 count failure to file sales tax returns
Peggy Seagraves	Wrecker Bear	Findlay	1 count failure to file sales tax returns
Hussein Moussa	Pik Kwik	Swanton	1 count failure to file sales tax returns
Thomas Jung	Tom's Industrial Truck Service	Lima	1 count failure to file sales tax returns
Cathy Brinkman	Curry Printing Co.	Cincinnati	1 count failure to file sales tax returns
Dawn Holin	Dawn Holin	North Perry	1 count failure to file sales tax returns
David Frederick	BG Sports	Bowling Green	1 count failure to file sales tax returns
Monica Wittenmyer	Canine Castle	Rossford	1 count failure to file sales tax returns
Troy Johnson	Troy Johnson	Nevada	1 count failure to file sales tax returns
Wendy Driskell	Soul Intentions	Toledo	1 count failure to file sales tax returns
Paul Eko	Paul Eko	Cleveland	1 count failure to file sales tax returns
Richard P. Boerner	Richard P. Boerner	Massillon	1 count failure to file sales tax returns
R. Whit Streicher	R. Whit Streicher	Chillicothe	1 count failure to file sales tax returns
Jeffrey Traxler	Traxler Guitar Work	Toledo	1 count failure to file sales tax returns
Phillip Vanburen	Nips, Inc.	Toledo	1 count failure to file sales tax returns
Mark Kacirek	Mark Kacirek	North Olmstead	2 counts failure to file sales tax returns
David McQueen	David McQueen	Canton	2 counts failure to file sales tax returns
John Groff	Jak's Place	Oak Harbor	2 counts failure to file sales tax returns
Charles Achauer	Andy's Auto Service	Zanesville	2 counts failure to file sales tax returns
Ali A. Yaser	Ali A. Yaser	Strongsville, OH	2 counts failure to file sales tax returns
Donald Helf	Richmond Cardinal	Bryan	2 counts failure to file sales tax returns
Marty Murray	Elite Collision & Frame, Inc.	Bellvue	2 counts failure to file sales tax returns
Craig Burghardt	Advantage Bowling Supplies	Rossford	2 counts failure to file sales tax returns
Gouda B. Aligouda	Gouda B. Aligouda	Dayton	1 count no vendor license
Abdi A. Ahmed	Abdi A. Ahmed	Dayton	1 count no vendor license
Omar Hussein	Omar Hussein	Dayton	1 count no vendor license
Phillip Overton	Phillip Overton	Dayton	1 count no vendor license
Kent Berheide	Kalida Pro Hardware	Kalida	1 count theft

*Enforcement News - Cont'd. from page 9****Cigarette/Other Tobacco Products Violations***

<b>NAME</b>	<b>BUSINESS</b>	<b>CITY</b>	<b>VIOLATION</b>
Sharlette Tolliver	Sharon Tolliver	Cincinnati	1 count attempted trafficking in cigarettes without a license
Dan Phillips	Dan Phillips	Hamilton	1 count no cigarette license
Jeffrey Yount	Murray's Drive Thru	Cincinnati	1 count no cigarette license
Syed Shah	Syed Shah	Cincinnati	1 count no cigarette license
Jihad Albarharawi	Honk and Holler	Cincinnati	1 count no cigarette license
Julius U. Emetu II	Julius U. Emetu II	Cincinnati	1 count no cigarette license
Raymond Sexton	Bloomville Market	Bloomville	1 count no cigarette license
Kha Tran	Kha Tran	Columbus	1 count retailer in possession of cigarettes not bearing tax stamps
Patricia Lee	American Mini Marts, Inc.	Hamilton	1 count retailer in possession of cigarettes not bearing tax stamps
Joseph Gray	Glenway Market	Cincinnati	1 count no cigarette license, 1 count retailer in possession of cigarettes not bearing tax stamps and failure to maintain purchase records
Musa Nassar	Musa Nassar	Cincinnati	1 count attempted trafficking in cigarettes without a license.
Zuhair Al-Hayek	Beekman Market	Cincinnati	1 count attempted trafficking in cigarettes without a license

# **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.

## **General**

G 2006-01 - Automated Compliance Program Penalties; Issued June, 2006.

## **Commercial Activity Tax**

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

**Information Releases - Cont'd. from page 10**

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

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

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

**Sales Tax**

ST 1993-08 - Employment Service; Issued September, 1993; Revised October, 1993; Revised December, 2000; Revised May, 2006.

**Tax Calendar at-a-Glance****July**

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

**Aug.**

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

**Sept.**

- 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
- 25** Monthly Sales Tax Returns
- 25** 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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