

# OHIO's



## statetaxreport

No. 63

Ohio Department of Taxation

Spring 2002

### **Lease Change**

*Submitted by Tim Sachs, Sales and Use Tax*

The Ohio 124<sup>th</sup> General Assembly recently passed Amended Substitute House Bill 405, which made significant changes in the way Ohio sales and use tax is applied to the lease of motor vehicles, watercraft, outboard motors, and aircraft. The change in the law also applies to leases of tangible personal property used for business purposes. **Effective February 1, 2002, the sales tax on most leases of these types of property will be computed and paid at the beginning of the lease rather than on the monthly payments.**

This change in the sales and use tax law applies to qualifying lease contracts entered into on and after February 1, 2002. **The tax will be collected at the time the lease is consummated. Sales and use tax apply to the total amount that will be paid throughout the term of the lease.** Tax on charges that are not or cannot be calculated at the time the lease is consummated must be collected at the time those charges are billed to the lessee. Examples of this type of charge would be an excess mileage charge or a reimbursement of personal property tax.

There are many questions that arise as a result of the law change. You will find a number of questions and answers, as well as information explaining the changes to the law and how they may apply to your business on ODT's web site at [www.state.oh.us/tax](http://www.state.oh.us/tax). If you don't have access to the internet and would like a copy of the letter explaining the changes, please call ODT's Sales and Use Tax Division at (614) 466-4810.

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

<i>Commissioner's Column . . . . .</i>	<i>2</i>
<i>Ohio Amnesty Program . . . . .</i>	<i>3</i>
<i>Internet Update . . . . .</i>	<i>3</i>
<i>TeleFile/Deduction . . . . .</i>	<i>4</i>
<i>Digital Survey . . . . .</i>	<i>4</i>
<i>Legislative Update . . . . .</i>	<i>5</i>
<i>Job Retention Tax Credit . . . . .</i>	<i>5</i>
<i>PRO-Files . . . . .</i>	<i>6</i>
<i>Divisions Merge . . . . .</i>	<i>6</i>
<i>Ohio Business Gateway . . . . .</i>	<i>7</i>
<i>Ohio Tax Conference . . . . .</i>	<i>7</i>
<i>Court Decisions . . . . .</i>	<i>8</i>
<i>Financial Institutions . . . . .</i>	<i>10</i>
<i>Customer Survey . . . . .</i>	<i>11</i>
<i>Small Business Workshops . . . . .</i>	<i>12</i>
<i>Information Releases . . . . .</i>	<i>14</i>
<i>Enforcement Accreditation . . . . .</i>	<i>14</i>
<i>Tax Enforcement News . . . . .</i>	<i>15</i>
<i>Tax Calendar at-a-Glance . . . . .</i>	<i>18</i>

## COMMENTS *from the commissioner*



Commissioner Zaino

Since being appointed Ohio Tax Commissioner, I created the Tax Commissioner Advisory Council (TCAC). There are two main purposes for this Council:

- 1) To provide an avenue of two-way communication between Ohio's Tax Commissioner and others interested in Ohio tax policy; and
- 2) To provide ideas, input and perspective to the Tax Commissioner, assisting him in developing tax policy and identifying improvements in the administration of Ohio's tax laws.

The first TCAC meeting was held in October of 2000. Since that launching point, the Council meets four times a year. Prior to each meeting, I develop an agenda, which often includes topics of interest forwarded to me by council members. Topics include any areas and issues of broad interest to the members, but do not include specific taxpayer matters. During the quarterly meetings, we discuss a variety of topics including developments within the Department, as well as current tax bills being heard in the legislature.

Some of the issues we have discussed include the budget bill (HB 94), the streamlined sales tax bill (SB143), and the reorganization of the Department. We also discuss court decisions and how they will affect tax policy and revenue. The members offer their input, letting us know what they feel is a good or bad idea and how they suggest we pursue certain issues.

The 18-member Council represents a broad background in tax policy matters, including tax and policy professionals of large and small Ohio businesses or various industry associations. I feel that these appointed members (listed below) depict a representative cross-section of individuals interested in Ohio taxation. For example, the group consists of several attorneys, CPAs, representatives of public advocacy groups, and representatives that specialize in local, state and federal taxes. Only members of the Council attend the meetings and are not permitted to send another representative in their place.

TCAC members include: Mark Beck, Esq., Tax Counsel, The Cafaro Company; Barbara Benton, Vice President, Governmental Affairs, The Ohio Society of CPAs; Donald Berno, Senior V.P. of Government Affairs, Columbus Chamber of Commerce; Bobby Burgner, Director, State and Local Taxes, GE Company; Russell Deaton, V.P. of Treasury Management, The Longaberger Company; Gary Dean, CPA (retired); Addison Dewey, Professor Emeritus, Capital University Law School; Steven Dimengo, Chairman, OSBA Tax Committee, Buckingham, Doolittle & Burroughs, L.L.P.; Steve Hinshaw, V.P., State and Local Tax Planning Manager, Fifth Third Bank; Jerry Hensley, Principle, State and Local Tax, Arthur Andersen; Donald Korb, Esq., Thompson Hine, L.L.P.; Douglas Lindholm, President & Executive Director, Council on State Taxation; Daniel Navin, Director, Taxation and Public Finance, Ohio Chamber of Commerce; Jerry Parker, Senior Tax Counsel, General Motors; Vince Panichi, Ciuni and Panichi; Deborah Snellgrove, Director, North American Operations Tax Division, The Procter and Gamble Company; William Weisenberg, Assistant Executive Director, Public Affairs and Government Relations, Ohio Bar Association, and me.

I feel that this Council is beneficial to both ODT and the taxpayers of Ohio. It creates a bridge of communication between the outside world and us. The members have the opportunity to speak for the taxpayers of Ohio and we receive beneficial feedback. Please feel free to contact any of these TCAC members if you would like them to raise issues or questions during a TCAC meeting.

## ***Amnesty Overflows***

The Ohio Tax Amnesty Program topped \$48 million, exceeding the \$17 million goal. The program kicked off on October 15 and concluded on January 15. The program was a new experience for ODT, having never offered a tax amnesty program before.



Ohio's Tax Amnesty Program offered certain taxpayers an incentive to file outstanding returns and pay "qualifying delinquent taxes" owed to the Ohio Department of Taxation. "Qualifying delinquent taxes" were taxes that on May 1, 2001 were due and payable from a taxpayer or employer, that were unreported, underreported and/or remained unpaid. During the program, ODT was authorized to forgive penalty and one-half of the interest charges in exchange for full and prompt payment of all tax and half the interest.

Amnesty was only available to taxpayers with liabilities the Department did not know about. Taxes that were previously billed or assessed by the Department of Taxation or for which an audit by the Department was underway were not eligible for amnesty.

Ohio Tax Commissioner Tom Zaino said, "I am very pleased with the results of the program and that we surpassed our goal. The program not only helped the state, counties and many schools, but also the delinquent taxpayers."

The breakdown, by tax, of the amnesty collections is:

- **Sales/Use:** \$16.3 million from 2,425 applications or 33.61 percent of the total.
- **Individual Income:** \$9.5 million from 2,756 applications or 19.59 percent of the total.
- **Personal Property:** \$10.1 million from 1,397 applications or 20.84 percent of the total.
- **Corporate Franchise:** \$7.5 million from 387 applications or 15.48 percent of the total.
- **Employer Withholding:** \$2.8 million from 255 applications or 5.72 percent of the total.
- **Combined Applications (applications for more than one tax type):** \$1.5 million from 118 applications or 3.12 percent of the total.
- **School District Employer Withholding:** \$221,476 from 10 applications or .46 percent of the total.
- **School District Individual Income:** \$50,305 from 55 applications or .10 percent of the total.
- **Pass-Through Entity:** \$526,225, from 18 applications or 1.08 percent of the total.

The number of applications reflects the actual number received. Numerous taxpayers filed returns and wrote "amnesty" on the top without filing an application, while others filed several reporting periods with one amnesty application.

### ***Internet Update***

New information and services recently added to the Ohio Department of Taxation's web site ([www.state.oh.us/tax](http://www.state.oh.us/tax)) include:

#### **Ohio Business Gateway**

This new service allows many small businesses to electronically file (and pay) their sales tax returns (ODT), employer withholding returns (ODT), and workers' compensation premiums (Bureau of Workers' Compensation) through an on-line system. Beginning on April 1, users will also be able to file their unemployment tax returns (Ohio Department of Job and Family Services). (See article on page 7.)

#### **TeleFile Your ST-10 (Sales Tax) Zero Tax Due Return**

Businesses now have the option of filing their ST-10 Zero Tax Due return by telephone if they meet certain requirements. Visit our web site for more information.



## ***TeleFile: Disconnect for Deduction***

Taxpayers who received a TeleFile-only Ohio income tax return may not have been aware of a new deduction available for the first time this year. The new income tax deduction, which was not referenced in the TeleFile booklet, allows taxpayers meeting certain income guidelines to subtract from their taxable income up to \$2,500 in tuition costs paid to a qualified Ohio educational institution. This deduction and many others cannot be claimed by taxpayers using TeleFile. Taxpayers have to file an IT-1040 return (long form) to claim most all deductions and credits.

“We sent TeleFile-only booklets to taxpayers who have a history of filing less complicated returns, so hopefully it won't affect many people. I am sorry for any inconvenience or confusion we might have caused by not highlighting this credit in the TeleFile booklet. We certainly want people to know about all the legitimate ways they can reduce their tax,” Ohio Tax Commissioner Tom Zaino said. “Next time, we will include more detail in the TeleFile booklet.”

“This new deduction didn't get mentioned and it should have been. It was an oversight on our part and we will make sure that all taxpayers who haven't yet used our TeleFile phone system are aware of the deduction,” Tax Commissioner Zaino said. A recorded message was added to the TeleFile system telling taxpayers about the deduction and directing them to file an IT-1040 if they are entitled to claim it. The message was activated on February 22.

Taxpayers who are eligible for and want to claim the tuition expenses or any deduction, but have already TeleFiled their return, will have to file an amended income tax return (IT-1040X). The forms to file an amended return can be obtained from the Ohio Department of Taxation (ODT) web site ([www.state.oh.us/tax](http://www.state.oh.us/tax)), or by calling 1-800-282-1782. Forms are also available at many libraries, banks and post offices.

The TeleFile-only booklet is sent to selected taxpayers based on certain criteria including the type of return they filed in the previous year and their income level. The TeleFile-only booklet was mailed to approximately half of Ohio's 5.5 million income tax filers. All other taxpayers received a combined booklet that includes IT-1040, IT-1040EZ, and TeleFile returns.

The new tuition expenses deduction is available to single taxpayers with a federal adjusted income of less than \$50,000 and married taxpayers filing jointly with an income less than \$100,000. The \$2,500 deduction can be claimed for each of the first two years of post-secondary education at an Ohio-based institution.

### ***Ohio Makes Top Ten***

The results of the Center for Digital Government's 2001 Digital State Survey were recently released. Ohio earned an overall rank of nine, up from 30th in the 2000 Digital State Survey. This is the first time Ohio has ranked in the top 10 in the four years the survey has been conducted.

The report cited numerous accomplishments. The ones pertaining to the Department include:

- Ohio systematically posted the 40 most requested government forms to the web first, and now has most state forms on-line.
- E-payment systems are working in Ohio. In addition to accepting tax and fee payments electronically, Ohio has deployed an electronic catalog for state employees to purchase goods and services with electronic payments to state vendors.

The results are based on a comprehensive poll of chief information officers in the 50 states. The report, which is sponsored by Compaq Computer Corporation, documents progress made by states in 2001 in adopting digital technologies to improve delivery of services to citizens.

# OHIO *legislative update*

The following is a summary of tax-related legislation enacted by the 124th General Assembly.

<u>Bill Number</u>	<u>Effective</u>	<u>Description</u>
<b>Substitute House Bill 129</b>	6/3/02	Permits county budget commissions to waive the requirement that local governments adopt annual tax budgets. Makes a technical correction to the percentages of the kilowatt-hour (KWH) and natural gas (MCF) tax receipts that are credited to the school district and local government property tax replacement funds. Corrects printing errors in county official classification and compensation schedules.
<b>Amended House Bill 301</b>	5/30/02	Prohibits local government subdivisions from charging interest to other subdivisions that erroneously receive estate tax distributions. Provides a procedure, subject to voter approval, where certain municipal property tax levies can be converted into levies lasting up to five years.
<b>Substitute House Bill 390</b>	3/4/02	Extends in certain instances the time to file complaints with a county board of revision. Allows for a delay in the payment of real property taxes for members of the National Guard and Reservists called to active duty because of Operation Enduring Freedom, Operation Noble Eagle, or the Governor's directive of 9/28/01. Makes technical changes to the calculation of the local government funds freeze language implemented in House Bill 94 and modified in House Bill 405.
<b>Amended House Bill 396</b>	6/13/02	This bill formalizes Ohio's Offers in Compromise program patterning it after the one provided by the IRS. The bill provides that, with respect to a delinquent tax matter certified to the attorney general for collection, the tax commissioner and the attorney general can consider the possibility of compromising the claim for less than its full amount or consider a proposed payment plan. Standards to be considered for such a compromise include: (1) doubt that the claim can be collected; (2) substantial probability that a payment of the claim would result in a subsequent successful refund claim; (3) economic hardship; and, (4) any other standard to which the attorney general and the tax commissioner jointly agree. The Commissioner's intention for enumerating standards and providing direct references to this authority in the tax code is to raise taxpayer and practitioner awareness.

## ***Job Retention Tax Credit***

The Ohio General Assembly created the Job Retention Tax Credit (JRTC) program in 2001 for the purpose of fostering the retention of full-time jobs in Ohio. Contact the Ohio Department of Development's Office of Tax Incentives at (614) 466-2317 for additional information.

# PRO-files

## **Refund Offset Programs**

*Submitted by Peter Angus, Esq., CPA, Problem Resolution Officer*

A new income tax refund offset program, which affects taxpayers with past-due tax liabilities, has resulted in the collection of over a million dollars in the first month of this year's filing season. The Treasury Offset Program (TOPS) is a joint effort by the Ohio Department of Taxation (ODT), the Ohio Attorney General and the IRS in which the IRS withholds from federal tax refunds amounts owed on Ohio personal income tax assessments. Only income tax assessments which have been certified to the Ohio Attorney General for collection are included in TOPS. In the first month, federal refunds to 1,579 taxpayers were intercepted to pay for outstanding Ohio income tax debts. A total of \$1,031,850 has been collected through TOPS for the state General Revenue Fund through the end of February, 2002. Taxpayers with questions about refunds which have been offset under this program should call the Ohio Attorney General's Revenue Recovery Section, (614) 466-8360.

Taxpayers sometimes have questions about other offset programs in which ODT participates. Under Ohio Revised Code 5747.121, ODT is required to offset Ohio income tax refunds for overdue child support which has been certified by the county child support enforcement agencies. Under Ohio Revised Code 5747.122, ODT offsets Ohio income tax refunds for overpaid public assistance, which has been certified by the county job and family services offices. The offset refunds are forwarded by ODT to the Ohio Department of Jobs and Family Services (ODJFS), which distributes the funds to the counties. If an obligor (debtor) under one of these county programs files a joint Ohio income tax return, ODT sends an "innocent spouse" letter to the non-obligor spouse, advising her/him that a proportional amount of the joint refund may be released if information on the separate earnings of the spouses is provided. The non-obligor spouse can complete the calculation shown on the letter and provide the documentation requested. The proportional share of the refund will then be released by ODT to the non-obligor. If a taxpayer/obligor has questions about their child support or public assistance debt, they should call the appropriate county office, indicated on the offset notice.

### **Divisions Merge**

The Income Tax Division and the Corporate Franchise Tax Division of the Ohio Department of Taxation have merged to form the Income & Corporate Franchise Tax Division (I & CFTD). The reason for combining the two divisions is to increase efficiency with the involved taxes.

Jim Kamerick is the Executive Administrator and Jim Baumann is the Administrator of the Division. Tom Duncan is the Assistant Administrator in charge of technical operations. Mr. Duncan will head the various units responsible for the Corporate Franchise Tax, Pass-through Entity Tax, Income Tax (including Employer Withholding Tax) and the School District Income Tax.

Joy Bennett is the Assistant Administrator in charge of suspense operations. Ms. Bennett will be in charge of the various units responsible for business and individual suspense for Sales Tax, Corporate Franchise Tax, Pass-through Entity Tax, Income Tax (including Employer Withholding tax) and the School District Income Tax.

The following employees are the supervisors with their area of responsibility noted: Chris Whitaker – Pass-through Entity Tax; Bob Davidson – Suspense Operations; and, Sylvester Monroe – School District Unit.

## ***Ohio Business Gateway: On-Line Filing Now Available***

After several months of meeting and preparing, the state of Ohio launched a pilot program allowing small businesses to file and pay certain taxes electronically. *Ohio Business Gateway*, as this service is called, is an effort to give businesses a break from the burden of bureaucracy and paperwork. *Ohio Business Gateway* had its genesis in House Bill 202 (122nd General Assembly), which called for more efficiency in the process of filing forms with the state of Ohio. Although that law expired with no tangible changes, Governor Bob Taft insisted that state agencies continue to actually implement the spirit of House Bill 202 to help small businesses. The end result is a more unified reporting and payment system for Ohio businesses.

Currently, users of the system can file their sales tax returns (ODT), employer withholding returns (ODT), and workers' compensation premiums (Bureau of Workers' Compensation) through the electronic system. Beginning April 1, users will be able to file their unemployment tax returns (Ohio Department of Job and Family Services).

To access *Ohio Business Gateway*, visit ODT's web site at [www.state.oh.us/tax](http://www.state.oh.us/tax) or visit the state of Ohio's web site at [www.ohio.gov](http://www.ohio.gov). Currently, this program is geared toward small businesses, but will be expanded next year to include larger businesses. For questions or assistance regarding *Ohio Business Gateway*, please call the help desk at 1-866-OHIO-GOV (1-866-644-6468).

## ***Ohio Tax Conference Never Better***

The 11th Annual Ohio Tax Conference was held on January 24 - 25 in Columbus. Almost 600 people attended the event, which is co-sponsored by the Department and the Ohio Chamber of Commerce. This year's conference had the largest attendance of any tax conference in the nation over the last year. In addition, the conference received high marks on many evaluation forms. One attendee commented, "This was my first opportunity to attend the Ohio Tax Conference. The quality of speakers, materials and accommodations were excellent."

Conference presenters covered a wide range of issues, such as the Department's reorganization, taxation of e-commerce, major nexus trends, tax incentives/exemptions, recession and taxes, and manufacturing tax issues.

During the conference, the second inductee into the Ohio Tax Hall of Fame was announced. The recipient was Addison E. Dewey, Professor Emeritus, Capital University Law School. Commissioner Zaino said the purpose of the Hall of Fame is to recognize people whose contributions span decades and a wide range of responsibilities involving Ohio taxation. "Professor Dewey's career has extended not only over a significant length of time, but over the full breadth of the area of state and local taxation – public service, private practice, and academia. He was with the Ohio Department of Taxation for 9 years, then in private practice for about 8 years, followed by 22 years as a professor."

While working at the Department, Professor Dewey was a staff attorney before taking the position of Chief Attorney. He later served in the role of Deputy Tax Commissioner under Tax Commissioner Stanley Bowers, last year's Ohio Tax Hall of Fame recipient.

Professor Dewey was honored by the recognition, saying, "It will always be lodged in my heart and my soul." He also noted that he has found it gratifying to serve in both public and private practice. Before leaving the podium, Professor Dewey reminded attendees to not confuse activity with accomplishment and to conserve some time for family.

# COURT *decisions*

The following are significant court decisions of the Ohio Supreme Court and Board of Tax Appeals (BTA) announced in December 2001 and January through February 2002. Court decisions are compiled by Peter Angus, Esq., CPA, Problem Resolution Officer.



## TAX ADMINISTRATION

### ***Basic Dist. Corp. v. Ohio Dept. of Taxation (2002), 94 Ohio St. 3d 287***

In an action under Ohio Revised Code 5703.54 (the "Taxpayers' Bill of Rights"), a taxpayer sought monetary damages, declaratory judgment and injunctive relief in regard to a sales and purchase audit. The sales tax audit was a "sixty-day-letter" audit in which, among other things, a vendor is given that amount of time to obtain evidence of exemption from its customers. Although the taxpayer contended that ODT had "frivolously" disregarded the sales/use tax statute in conducting the audit, the Ohio Supreme Court found no basis for this assertion and noted that, "in fact, it appears that the Department of Taxation went beyond its statutorily imposed duties in assisting Basic." The Court also held that taxpayers do have the right to bring a separate claim against ODT under the "Taxpayers' Bill of Rights" without exhausting its other administrative remedies. The Court, though, pointed out that erroneous interpretation of the tax law by ODT is not a violation under the "Taxpayers' Bill of Rights."

## CORPORATE FRANCHISE TAX

### ***International Business Machines Corp. v. Zaino (2002), 94 Ohio St. 3d 152***

A corporate taxpayer was assessed on February 19, 1997 in regard to its 1993 Ohio corporate franchise tax report, pursuant to an agreement between the taxpayer and ODT to extend the deadline for issuing an assessment and/or filing a refund claim to April 15, 1997. On October 15, 1998, the taxpayer submitted a letter stating that the assessment for 1993 should be vacated and a refund for the remaining amount should be made. In the final determination, the assessment was cancelled, but the additional refund was denied as being untimely. The Supreme Court held that a refund claim under Revised Code 5733.11 is limited to any amounts assessed, and does not include amounts, for example, paid with the filing of the return. Refund claims for those amounts are to be filed under Revised Code 5733.12. Since no refund claim was timely filed under Revised Code 5733.12 in this case, no refund could be made.

## SALES, USE, AND EXCISE TAX

### ***Akron Mgt. Corp. v. Zaino (2002), 94 Ohio St. 3d 101***

An appeal of sales tax assessments was made by several country clubs. Some of the country clubs required prospective members to make interest-free, 30-year loans to the country club as a condition of membership. Other clubs required the purchase of an equity interest in the club, which was to be resold to the club upon the members' termination. These transactions were assessed under Ohio Revised Code 5739.01(B)(3)(o), which includes in the definition of "sale" those transactions by which "recreation and sports club service is or is to be provided." The Supreme Court held that the interest-free loans and the equity interests were "other similar fees and dues," which are included in the definition of "all transactions by which a membership" in a sports club is granted, under Revised Code 5739.01(NN).

### ***Rumpke Container Serv., Inc. v. Zaino (2002), 94 Ohio St. 3d 304***

A waste hauler contended that its trucks were exempt under Ohio Revised Code 5739.02 (B)(32) as motor vehicles primarily used for transporting tangible personal property by a person engaged in highway transportation for hire. Under Ohio Revised Code 5739.01(Z), 'highway transportation for hire' is defined to include those who hold a certificate issued by the United States or by Ohio authorizing the holder to engage in transportation of tangible personal property belonging to others for consideration. The Supreme Court held that waste is not "tangible personal property belonging to others" because the owner of the waste abandons any right or interest in it at the time it is picked up for removal.

### ***24 Hours, Inc. v. Zaino (Feb. 22, 2002), BTA 00-112 through 00-115***

A convenience store operator failed to keep records of purchases and sales, as required by Ohio Revised Code 5739.11.

On audit, ODT agents used an analysis of purchases to determine the exempt/taxable sales ratio, as well as sales tax due. The taxpayer contended that the exempt/taxable sales ratio should be adjusted to account for cigarettes returned to the vendor, higher lottery sales, cigarette rebates received, shoplifting and inventory buildup. The BTA agreed that the taxpayer had produced evidence of returned cigarettes and higher lottery sales. This information requires that an adjustment be made to the assessment. In regard to the remaining objections, the Board found that the appellant had not produced sufficient evidence to require further changes. The assessments were modified and remanded back to the Tax Commissioner.

***William M. Laszlo v. Zaino (Feb. 22, 2002), BTA 01-54***

Assessments relating to unpaid sales tax from the late 1970's were reduced to judgment liens on the property of the former vendor. He paid \$5000 in 1998 to obtain a partial lien release, and filed a refund claim, contending that he had not operated the store during the assessment periods. The BTA denied his claim, as he had presented no convincing evidence that the store had in fact ceased operations. In regard to the taxpayer's contention that he had never received notice of the assessments, the BTA found that the notices in this case were sent by certified mail to the taxpayer's last known business address, and were therefore reasonably calculated to reach the taxpayer, as required under Ohio Revised Code 5739.13 and related Supreme Court decisions.

***Raed N. Nusseibeh v. Zaino (Feb. 22, 2002), BTA 00-2089***

The president and sole shareholder of a carryout store contended that unpaid sales tax was not his responsibility because he had sold the business prior to the assessment period. The BTA found him to be liable as a responsible party under Ohio Revised Code 5739.33, and found his corporation to be liable for the unpaid sales tax, because the corporation had been the holder of the vendor's license and liquor permit while the purchaser of the business made sales. The purchaser of the business was, effectively and legally, merely the agent of the holder of the vendor's license and liquor permit during the assessment period.

***Penny Sisson v. Lawrence (Nov. 30, 2001), BTA 99-1352***

A purchaser of a mobile home sought a refund of the sales tax paid, contending that the mobile home was incorporated into the realty after purchase, and that she paid annual real property taxes on it, thus subjecting her to double taxation. The BTA held that under Ohio Revised Code 4505.01(A)(2) prior to 1/1/2000, manufactured homes were motor vehicles and subject to sales tax as such, even if, as in this case, the purchaser relinquished title to the county auditor and elected to have the property treated as realty. [Ohio Revised Code 5739.0210, effective 1/1/2000, has changed the way manufactured homes are treated for purposes of sales/use tax.]

#### PERSONAL PROPERTY TAX

***ComDoc, Inc. v. Zaino (Jan. 18, 2002) BTA 99-529, 99-530***

A lessor of copying machines contended that its machines should be given Class Life I instead of Class Life III in the "302" computation. The BTA noted that while the "302" computation provides a *prima facie* true value figure, a taxpayer may demonstrate, through competent and probative evidence, that a different result is warranted. The taxpayer presented a disposal analysis of a sample of its copier machines which were refurbished in August, 1995. But this sample was less than 1% of the taxpayer's copiers and so was not necessarily representative. Moreover, the sample did not account for the additional useful life of the copiers after they were refurbished and re-leased. The BTA therefore declined to adopt the taxpayer's analysis as persuasive and held that the taxpayer had not met its burden of showing error in the assessment.

#### REAL PROPERTY EXEMPTIONS

***Fostoria Hospital Association v. Zaino (Feb. 15, 2002), BTA 01-414***

A hospital acquired two residential properties to hold for future expansion of its facility. It rented the properties to employee/physicians at fair market value. The hospital contended the properties were exempt under Ohio Revised Code 5709.12 as property belonging to an institution used exclusively for charitable purposes, because the temporary housing gave new employee/physicians a place to stay and thus was a recruitment tool for the hospital. The BTA held that such property is not used exclusively for charitable purposes and is not exempt.

## ***Special Notice to Financial Institutions***

*Submitted by Charles Ortlieb, Income Tax Audit Division*

Amended Substitute House Bill 405, 124<sup>th</sup> General Assembly, effective December 13, 2001, enacted franchise tax changes that will affect the 2002 franchise tax liability for some financial institutions. Because this bill was enacted after the 2002 franchise tax report (form FT-1120FI) and instructions for financial institutions were printed, the amendments explained below are not reflected in the printed form and instructions that were mailed to financial institutions earlier. However, the Department's web site version of the 2002 franchise tax form FT-1120FI and the web site version of the 2002 franchise tax instructions for financial institutions have been corrected to reflect these changes. The changes enacted by HB 405 include a franchise tax credit for the dealer in intangibles tax paid by a dealer that is related to the financial institution and a change to the ORC section 5733.056(A)(15) definition of a "qualified institution." These amendments will affect the 2002 franchise tax liability for those financial institutions whose taxable year ended on or after the December 13, 2001 effective date of the bill.

**ORC Section 5733.45 Credit.** If on January 1 of the franchise tax year a financial institution is a member of a qualifying controlled group of which a dealer in intangibles is also a member, the financial institution is allowed a nonrefundable franchise tax credit. (A "qualifying controlled group" is defined in Ohio Revised Code (ORC) section 5733.04(M) as two or more corporations that meet the ORC section 5733.052(A) ownership and control requirements to file a combined report, whether or not the corporations actually file a combined report and whether or not the corporations are subject to the franchise tax). The franchise tax credit equals the lesser of the amounts described in (1) or (2), below:

- (1) The amount of the dealer in intangibles tax paid by the dealer during the calendar year preceding the financial institution's tax year (reduced by any refund of such tax received), or
- (2) The product of the amounts described in (a) to (c), below:
  - (a) The cost of the financial institution's direct investment in capital stock of the dealer in intangibles (exclusive of goodwill and appreciation associated with such investment) as of the last day of the financial institution's taxable year ending immediately preceding the franchise tax year for which the financial institution is claiming the credit.
  - (b) The dealer in intangibles' "percentage allocable to Ohio" ratio included in Exhibit B or C of dealers in intangibles tax form 980 for the calendar year immediately preceding the franchise tax year for which the financial institution is claiming the credit.
  - (c) The dealer in intangible tax rate for the calendar year immediately preceding the franchise tax year for which the financial institution is claiming the credit.

**For franchise tax years 2002 and 2003 the credit is available only if the dealer in intangibles, with respect to which the financial institution is claiming the credit, submitted to the Tax Commissioner a written statement setting forth that the dealer in intangibles agrees that it will not seek a refund of the tax which the dealer paid in 2000 and 2001 under ORC section 5707.03 and irrevocably agrees to continue paying that tax in 2002, regardless of the amendment of ORC section 5725.26 by Am. Sub. H.B. 405, 124<sup>th</sup> General Assembly. However, the written statement had to be submitted to the Tax Commissioner not later than January 15, 2002. See ORC section 5733.45 as enacted by this new law.**

**Alternative Apportionment for Qualified Institutions.** In addition, HB 405 made permanent the ORC section 5733.056(G) deposits factor alternative apportionment mechanism for "qualified institutions" and amended the definition of a "qualified institution." A financial institution otherwise meeting the definition of a "qualified institution," as set forth in ORC section 5733.056(A)(15), must now have at least 9% of its deposits in Ohio.

Under previous law, tax year 2003 would have been the last year a qualified institution could elect to use the deposits factor, and previous law required that a qualified institution have Ohio deposits of at least 10%.

**Debt to Equity Adjustment.** In a matter unrelated to House Bill 405 and as a result of a recent change in the Department's interpretation of the qualifying holding company law, beginning with franchise tax year 2002, a financial institution that is a related member to a company that makes the qualifying holding company election is not required (nor is it permitted) to make the schedule E "qualifying amount" debt to equity adjustment set forth in ORC 5733.05(C). The change in interpretation is not reflected in the printed form FT-1120FI and instructions mailed to taxpayers (see schedule E, line 5 of the printed form) because the interpretation was changed after the form and instructions were printed. However, the Department's web site version of the 2002 form and the web site version of the instructions do reflect the change. As such, schedule E of the web site version of the 2002 form FT-1120FI and the franchise instructions herein correctly omit the debt to equity qualifying amount adjustment.

**NOTE: If as a result of following the Department's previous interpretation of the qualifying holding company law for franchise tax report years 1999, 2000 and 2001 a financial institution increased its net value of stock and thereby paid more franchise tax than it otherwise would have paid and if the taxpayer files an amended report and an Application for Refund within the refund statute of limitations, the Department will refund the overpayment.**

**Furthermore, if as a result of following the Department's previous interpretation of the qualifying holding company law for franchise tax report years 1999, 2000 and 2001 a financial institution decreased its net value of stock and thereby paid less franchise tax than it otherwise would have paid, the Department will not require the taxpayer to pay the difference for those years.**

### ***Tips from Taxpayers***

Taxpayers now have a new way to give us feedback about the Department. It's the new customer survey, which can be found on the internet site. A team was formed to develop a survey to give taxpayers the opportunity to let the Department know how they rate its performance.

The survey became available on ODT's internet site in November. As of mid-March, about 150 surveys were completed by taxpayers. There have been good comments received, as well as constructive criticism. Pete Angus, Problem Resolution Officer, receives a monthly report from the Information Services Division with the compiled responses.

The questionnaire asks questions like, "What was the purpose of your contact with the Department of Taxation?; Were we able to answer your inquiry on your first contact?; Did your inquiry require a follow-up by our Department? If yes, did we follow up with you as promised?" Respondents are also given the opportunity to add additional comments after several questions and rate the Department in different areas on a scale of one to ten.

Mr. Angus said, "We are getting some helpful responses and will keep reviewing them for useful data with which we can improve our methods in the Department." To view and/or complete the questionnaire, visit [www.state.oh.us/tax](http://www.state.oh.us/tax) and select "Contact Us" at the top of the home page and then select "Customer Service Survey."

## ***Small Business Tax Workshops Offered***

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New or prospective small business owners and self-employed persons can learn about their tax rights and responsibilities by attending the next 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 Ohio Department of Development, Small Business Development Centers, who provides professional, in-depth counseling and training to entrepreneurs and fosters a strong climate for small business growth.

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

Several types of workshops are offered. General Business workshops are designed to provide a general overview of business taxes, types of businesses and business structures, advantages and disadvantages of each type, tax filing requirements, record keeping, estimated tax requirements and employment taxes. The Ohio Department of Taxation participates in General Business workshops.

Specialized workshops are generally shorter in duration and are designed to address a specific type of business entity, occupation, or issue. Examples include: Schedule C/Sole Proprietorships, Employment Taxes, and Home-Based Businesses, such as day-care providers and direct sellers.

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.

Following is a list of classes scheduled through June, 2002. Watch future issues of the *Ohio's State Tax Report*, as well as our web site ([www.state.oh.us/tax](http://www.state.oh.us/tax)), for the schedule for the second half of 2002.

### ***BELMONT COUNTY***

#### **Employment Taxes Workshop**

**May 31, 8:30 - 11:30 a.m.**

Ohio University Eastern

45425 National Road

St. Clairsville, OH 43950

To register, call 740-669-2502

### ***CLARK COUNTY***

#### **General Business Workshop**

**June 14, 9:00 a.m. - 4:30 p.m.**

Small Business Development Center

300 East Auburn Avenue

Springfield, OH 45505

To register, call 937-322-7821

***CUYAHOGA COUNTY*****General Business Workshop****June 19, 9:00 a.m. - 4:30 p.m.**

Federal Office Building  
 1240 East 9th Street, Room 769  
 Cleveland, OH 44199  
 To register, call 513-263-4666 or e-mail  
 NEROHIOCINCYTEC@irs.gov

***HAMILTON COUNTY*****General Business Workshop****June 20, 9:00 a.m. - 4:30 p.m.**

Hamilton County Development Company  
 1776 Mentor Avenue  
 Norwood, OH 45212  
 To register, call 513-631-8292

***MONTGOMERY COUNTY*****General Business Workshop****May 8, 9:00 a.m. - 4:30 p.m.**

Dayton Convention Center  
 1 Chamber Plaza, Room 208  
 5th and Main Streets  
 Dayton, OH 45402  
 To register, call 937-226-8239 or  
 mail to above address

***STARK COUNTY*****General Business Workshop****June 13, 9:00 a.m. - 4:30 p.m.**

Kent-Stark Small Business Development Center  
 Kent State University, Stark Campus  
 6000 Frank Avenue, N.W.  
 Library Conference Room  
 Canton, OH 44720  
 To register, call 330-244-3296

***TRUMBULL COUNTY*****General Business Workshop****April 23, 9:00 a.m. - 4:30 p.m.**

Warren Redevelopment and Planning Corporation  
 418 S. Main Street  
 Warren, OH 44481  
 To register, call 330-746-3350

***FRANKLIN COUNTY*****General Business Workshops****May 8 and June 12, 9:00 a.m. - 4:30 p.m.****Operating as an LLC – What Are My Legal Requirements?****April 3, 9:00 a.m. - 12 noon**

All workshops are at the Columbus Metropolitan Library  
 96 S. Grant Avenue, Main Auditorium  
 Columbus, OH 43215  
 To register, call 614-225-6910

***LICKING COUNTY*****A.M. Session: Home-Based Businesses****P.M. Session: Sole Proprietorships****April 24, 9:00 a.m. - 12 noon; 1:00 p.m. - 4:30 p.m.**

Newark Public Library  
 101 W. Main Street  
 Newark, OH 43055  
 To register, call 614-225-6910

***PIKE COUNTY*****General Business Workshop****April 30, 9:00 a.m. - 4:00 p.m.****Employment Taxes****May 2, 12 noon - 2:00 p.m.**

Ohio State University – South Centers  
 1864 Shyville Road  
 Piketon, OH 45661  
 To register, call 1-800-860-7232 or 740-289-3727

***SUMMIT COUNTY*****General Business Workshop****April 26, 8:00 a.m. - 4:00 p.m.**

Ohio Small Business Development Center for Women

The University of Akron  
 Polsky Building, Room 404  
 Akron, OH 44325  
 To register, call 330-972-5592

***TUSCARAWAS COUNTY*****General Business Workshop****June 12, 9:00 a.m. - 4:30 p.m.**

Kent State University  
 Tuscarawas Campus  
 330 University Drive NE  
 New Philadelphia, OH 44663  
 To register, call 330-308-7479

# INFORMATION *releases*

The following information releases have been issued by the Department in the last several months. The topics addressed are summarized below. Please visit our web site at [www.state.oh.us/tax](http://www.state.oh.us/tax) and click on "Practitioner" and then on "Information Releases" under the "Releases" link to view all the information releases.

## **INCOME TAX**

*"Combat Zone" Designation and Impact on Ohio Income Tax and School District Income Tax Returns – February 1, 2002*

This information release addresses the Ohio Department of Taxation's policy concerning the "federal combat zone designation." The taxes affected include: Year 2001 and Year 2002 Ohio and School District Estimated Income Tax Payments and Income Tax Returns.

## **EXCISE & MOTOR FUEL TAX**

*Minimum Prices and Stamping Allowance Increase for All Cigarette Wholesalers – December 13, 2001*

Amended Substitute House Bill 405 increases the wholesale cigarette minimum markup from 2 percent to 2.5 percent effective December 13, 2001.

## **SALES TAX**

*Federal Luxury Tax – January, 2002*

This information release contains the table used to calculate the federal luxury tax. The federal excise tax, which is levied on the seller when the first retail sale or lease of a luxury passenger vehicle occurs, will be calculated using the rates and threshold amounts for the periods specified in the table. Since the luxury tax is levied on the seller, it becomes part of the cost of doing business. The seller may choose to recover all or part of this tax from the consumer much like any other expense. That portion of the luxury tax that is passed on to the consumer becomes part of the "price" for calculating sales and use tax, even if it is separately stated on the consumer's bill.

## ***Your Two Cents, Please***

*Submitted by Susan Kusan, Accreditation Manager, Enforcement Division*

The Ohio Department of Taxation, Enforcement Division, is pursuing an accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). A team of assessors from the Commission will visit the Department on April 27 to examine all aspects of the division's policy and procedures, management operations, and support services. Verification by the team that the Enforcement Division meets the Commission's state-of-the-art standards is part of a voluntary process to gain accreditation – a highly prized recognition of law enforcement professional excellence.

As part of the on-site assessment, members of the community are invited to offer comments by calling toll-free, 1-866-227-0004 on April 28 between the hours of 1:00 p.m. and 5:00 p.m. Persons wishing to offer written comments about the Enforcement Division's ability to meet the standards for accreditation should write to: Commission on Accreditation for Law Enforcement Agencies, Inc., 10306 Eaton Place, Suite 320, Fairfax, VA, 22030-2201.

A copy of the standards is available by contacting the Enforcement Division, 800 Freeway Drive North, Columbus, OH, 43229. The local contact is Susan Kusan, Accreditation Manager, 614-466-6939.

# TAX enforcement news

*The following information is a list of convictions secured by the Enforcement Division of the Ohio Department of Taxation from November, 2001 through January, 2002. Tax Enforcement News is compiled by Diann L. Hamilton and Robert M. Bray, Assistant Administrator, Enforcement Division. Fraud complaints can be e-mailed to the Enforcement Division at [Enforcement@tax.state.oh.us](mailto:Enforcement@tax.state.oh.us).*

Randy R. Kelly of Ottawa pleaded guilty to four counts of filing a false return (Ohio Revised Code 5703.26), each a felony of the fifth degree. Mr. Kelly was sentenced to ten months for each count, to be served concurrently and was fined \$2,500 for each of the four counts. Mr. Kelly also was sentenced to two years in the Ohio Department of Rehabilitation and Corrections and he is to pay a fine of \$10,000 for theft (Ohio Revised Code 2913.01(A)(3)), a felony of the third degree. Mr. Kelly is the owner/manager of Rainbow/Environmental Concepts in Ottawa, AMI Industries in Findlay and Hydro Dynamics in Defiance. It was reported that Mr. Kelly reported only a fraction of the sales tax collected.



Robert Day of Hamilton pleaded guilty to six counts of collecting and failing to remit sales tax (Ohio Revised Code 5739.12) and one count of theft of sales tax (Ohio Revised Code 2913.02), all 4th degree felonies. Mr. Day gave the Assistant Prosecutor two checks for a total of \$50,000 towards the tax liability. Mr. Day, owner of Day's West Sunoco, had been operating at the same location for over thirty years without a vendor's license. Research was done in the Department of Taxation database and found no record of the business having a vendor's license or ever filing sales tax returns.

David F. Parenti and Paula Cassady of Kettering appeared before Judge Keith M. Sapeth of the Butler County Common Pleas Court. Mr. Parenti pleaded guilty to ten counts of tampering with records (Ohio Revised Code 2913.42(A)(1)), five counts of failing to file and remit sales tax (Ohio Revised Code 5739.12) and one count of failure to obtain a motor vehicle dealer's license (Ohio Revised Code 4507.02(A)). Mr. Parenti paid, as part of the plea agreement, \$56,857 in restitution for the sales tax he collected and failed to remit and also surrendered his interest in 27 mobile homes to be placed in receivership. Mr. Parenti was sentenced to two years for each tampering with records count, 170 months for each failing to file and remit sales tax count and \$100 for failure to obtain a motor vehicle dealer's license. Mr. Parenti received credit for one day served and would be eligible after two years, for post-release control as established by the Parole Board. He was ordered to pay \$8,827 in court fines and for cost of prosecution. Mr. Parenti was remanded to the custody of the Ohio Department of Rehabilitation and Corrections. Paula Cassady submitted \$487 for sales tax collected and not remitted. Ms. Cassday was sentenced to five years of Community Control with the Adult Probation Department and was also ordered to complete 300 hours of community service, pay \$2,500 in court fines and pay \$15 each month in supervision fees.

Jack L. Baker of Greenville pleaded guilty to one count of failure to file an income tax return (Ohio Revised Code 5747.19). Mr. Baker received a \$1,000 fine and a suspended prison sentence of six months. Mr. Baker was placed on twelve months Community Control and was advised that a violation of any terms of the Community Control Program would result in his serving the six months in prison and an additional nine months for each violation of the Community Control.

Sami Shakaa of Columbus pleaded guilty to one count of receiving stolen property (Ohio Revised Code 2913.51). Mr. Shakaa also pleaded guilty to one count of trafficking with intent to avoid other tobacco taxes (Ohio Revised Code 5743.60). Mr. Shakaa was fined \$2,500 and must leave the country within 60 days. Mr. Shakaa was the manager/owner of Champion Market in Columbus and has also sold untaxed cigars in an undercover operation. This case was worked in conjunction with the Ohio Organized Crime Commission.

Robert Rufo, Tommie Hanning, Timothy Multroy and Brian Monastra of Cleveland entered into a plea agreement with a total payment of \$83,716. All four were found guilty of violating the lesser offenses of attempted filing of a fraudulent return (Ohio Revised Code 5703.26) and attempted collecting and failing to remit withholding taxes (Ohio Revised Code 5747.19), misdemeanors of the first degree.

Paul Finlayson of Dover pleaded guilty to one count of collecting and failing to remit sales tax (Ohio Revised Code 5739.12), a felony of the 4th degree and one count of collecting and failing to remit withholding tax (Ohio Revised Code 5747.07), a felony of the 5th degree. Mr. Finlayson was sentenced to five years Community Control, 300 hours of community service and verifiable full-time employment. When not employed, Mr. Finlayson will have to perform thirty-five (35) hours of community service. He was also prohibited from owning or managing his own business for the duration of the community service. Restitution was ordered in the amount of \$113,750.

Jim H. Yee of Akron pleaded guilty to three counts of underreporting income (Ohio Revised Code 5747.19) for the years 1993, 1994 and 1995. Mr. Yee was sentenced to three years in prison, which he will serve after he finishes serving his 27-month sentence in federal prison for tax evasion. Mr. Yee was also ordered to pay what he owes in state taxes of \$89,811, if paid upon filing the returns. If no payment is made, a non-payment penalty of double the interest will be due in addition which equals \$62,688. The total of tax, interest and penalties could be \$152,499.

Shelby Daniels of Thornville pleaded guilty to two charges of fraudulent filing (Ohio Revised Code 5747.19) plus one theft and two forgery charges. Ms. Daniels agreed to repay \$180,000 to the parties she embezzled from and to amend her 1998 and 1999 Ohio Income Tax return.

Doc's Smoke Shop, located in Lebanon, pleaded guilty to one count of returns and answers by taxpayers (Ohio Revised Code 5703.24) and a \$25 fine and court costs. Doc's Smoke Shop failed to file the Master Settlement Agreement report (ET-60) for the period of July 1, 1999 through December 31, 1999.

Raymond Bryant of Sunbury pleaded guilty to two counts of failure to remit sales tax (Ohio Revised Code 5739.12). Sentencing is scheduled for March 15, 2002. Mr. Bryant is the owner of Village Antiques. An unidentified caller stated that Mr. Bryant had been doing business for years without a vendor's license.

Jack R. Clary of Grove City pleaded guilty to having dyed fuel in his tank and was ordered to pay a \$250 fine plus court costs. Mr. Clary was flagged down during a routine motor fuel inspection and admitted to having red dyed fuel in his tank. The fuel was tested, resulting in the fuel testing a t6.2 parts per million. A citation was issued for violation of using untaxed diesel fuel on the highway.

Dale Depew of Tiffin pleaded guilty to one count of collecting and failing to remit sales tax (Ohio Revised Code 5739.12) and one count of collecting and failing to remit withholding tax. Sentencing will be scheduled in March. Mr. Depew, owner of Seneca Printing, has failed to file sales tax returns and further defied any request to file said returns.

The following tables are summaries of convictions concerning cigarette and sales tax violations.

### Cigarette Violations

NAME	BUSINESS	CITY	VIOLATION
Gary Iles	Rosebud Café	Toledo	(1) Count No Cigarette License
Charles Brill	Brills Carryout	Toledo	(1) Count No Cigarette License
Melody Litchenwald	Mel's Place	Toledo	(1) Count No Cigarette License
Michael Rupp	The Pop Shop	Wauseon	(1) Count No Cigarette License
	NB Convenience Station	Toledo	(1) Count No Cigarette License
Dale Parker	LA Drive-Thru	Columbus	(1) Count No Cigarette License
Richard A. Fournier	Rick & Nancy's Convenience Inc.	Toledo	(1) Count No Cigarette License
Bharatkumer M. Patel	Porterhouse Drive-Thru	Kenton	(1) Count No Cigarette License
	Logan Elm Shell	Columbus	(2) Counts No Cigarette License
Michael R. Witzman	Mike's Perch House	Toledo	(1) Count Dealer Must Keep Records (OTP) (1) Count Dealer Must Keep Records (Cigarettes)
Ameen O. Mohammed	Alum Creek Drive-Thru	Columbus	(1) Count No Cigarette License
Richard Miller	Millski's One Stop	Toledo	(1) Count No Cigarette License
Fred L. Borkosky	Appleseed Service Center	Toledo	(1) Count No Cigarette License
Dennis P. Cole	Country Market	Toledo	(1) Count No Cigarette License
Howard Ballard	Howard's	Toledo	(1) Count No Cigarette License
	Bucyrus Hy-Miller	Toledo	(1) Count No Cigarette License
Gary Robeson	Perrysburg Marathon	Toledo	(1) Count No Cigarette License
Donald J. Lykins	Lykins C. Stores Inc.	Cincinnati	(1) Count No Cigarette License
	Knight Enterprises	Columbus	(1) Count No Cigarette License
Judy Blanton	Party Pick-Up	Cincinnati	(1) Count No Cigarette License
Neil & Lori McElroy	Bear's Den	Toledo	(1) Count No Cigarette License
	L & G Trucker's City	Toledo	(1) Count No Cigarette License
Theresia A. Umstead	Toot-N-Tell	Toledo	(1) Count No Cigarette License
	Dodge City	Toledo	(1) Count No Cigarette License
Kevin Rothger	Dockside Marathon	Toledo	(1) Count No Cigarette License
	Nick's Music & Games	Toledo	(1) Count No Cigarette License
Gladys Young	Tracey Market	Toledo	(1) Count No Cigarette License
	J s Vending Co.	Toledo	(1) Count No Cigarette License
	Bottle Cap Drive-Thru & Bar	Columbus	(1) Count No Cigarette License
Robert P. Daniel	Always Open	Toledo	(1) Count No Cigarette License
Isam A. Daas	Naemeh Jerusalem Inc.	Cincinnati	(1) Count No Cigarette License
	Clark Retail Enterprise	Toledo	(1) Count No Cigarette License
Hassen K. Abdoney Jr.	Third Base Drive-Thru	Toledo	(1) Count No Cigarette License
	Stingers	Toledo	(1) Count No Cigarette License
Joseph Salamah	Broadway Deli	Cleveland	(1) Count Prohibition Against False Entries
Zane Matthews	Matthews Distributing	Toledo	(1) Count Failure to Maintain Records/ Invoices

## Assorted Sales Tax Violations

NAME	BUSINESS	CITY	VIOLATION
	Hooties	Toledo	(1) Count Failure to File Sales Tax Return
Sigurd Illokken	Manzanita Restaurant	Cincinnati	(1) Count No Vendor's License
Nick J. Alexakos	Willard County Inn	Toledo	(1) Count Failure to File Sales Tax Return
Janet Mathias	Fifth St. Bridal Shop	Cleveland	(1) Count Failure to File Sales Tax Return
David Branstutter		Toledo	(1) Count Failure to File Sales Tax Return
Linda Bapista	Budgetman Auto	Toledo	(2) Counts of Failure to File Sales Tax Returns
Angela M. Strunk	Creative Printing	Toledo	(1) Count Failure to File Sales Tax Return
John Fulton	Finest Floors Inc.	Toledo	(3) Counts of Failure to File Sales Tax Returns
Brenda Plummer	Brother's Family Market	Toledo	(1) Count Failure to File Sales Tax Return (Attempt)
	Knight Enterprises	Columbus	(1) Count No Vendor's License
Paulette Wittich	Prices Painting	Toledo	(3) Counts of Failure to File Sales Tax Returns
Jerry Webber	The Carpet Place	Toledo	(1) Count Failure to File Sales Tax Return

### Tax Calendar at-a-Glance

#### April

- 15** Monthly Income Tax Withholding Return
- 15** Quarterly Estimated Income Tax Return
- 15** Annual Income Tax Return
- 22** Monthly Kilowatt Hour (KWH) Tax Return
- 23** Monthly and Semi-annual Sales Tax Returns
- 23** Monthly Consumer and Direct Pay Returns
- 23** Quarterly Consumer Use Tax Return
- 23** Quarterly Direct Pay Sales Tax Return
- 30** Quarterly Income Tax Withholding Return
- 30** Personal Property Tax Return (without extension)

#### May

- 15** Monthly Income Tax Withholding Return
- 20** Monthly Kilowatt Hour (KWH) Tax Return
- 20** Quarterly Natural Gas Distribution (MCF) Tax Return
- 23** Monthly and Semi-annual Sales Tax Returns
- 23** Monthly Consumer and Direct Pay Returns
- 31** Annual or Estimated Corporation Franchise Tax Return

#### June

- 17** Personal Property Tax Return (with extension)
- 17** Monthly Income Tax Withholding Return
- 17** Quarterly Estimated Income Tax Return
- 20** Monthly Kilowatt Hour (KWH) Tax Return
- 25** Monthly and Semiannual Sales Tax Returns
- 25** Monthly Consumer 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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P.O. Box 530, Columbus, Ohio 43216-0530,  
or e-mailed at: [www.state.oh.us/tax](http://www.state.oh.us/tax)

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