

Public Utility Excise Tax

History of Major Changes

1894 General Assembly enacts public utility excise tax.

1911 Current tax structure is established.

1935 A 1 % rate increase is applied to certain utilities.

1938 Rates increase for certain utilities.

1963 Advance payment system begins.

1966 Starting on July 1, 1966, all revenue is allocated to the General Revenue Fund. Previously, close to half of the revenue was distributed to counties and cities for poor relief and other welfare purposes.

1971 Rates are increased from 3% to 4% for most utilities.

1980 For 1981, rates are temporarily increased from 4% to 5% for most utilities.

1981 For 1982, rates are temporarily increased from 4% to 4.5% for most utilities. In addition, 5.55% surtax is imposed on public utilities' 1982 liability.

1982 For 1983, rates are temporarily increased from 4.25 % to 4.5 % for most utilities. Also, 5.55% surtax is imposed on 1983 liability.

1983 For 1983, rates are temporarily increased from 4.5% to 5% for most utilities. For 1984 and thereafter, rates are permanently increased from 4.25% to 4.75% for most utilities.

1987 Long-distance telephone companies are exempted from the public utility excise tax.

1989 In response to a 1987 federal district court decision (*General American Transportation Corp. v. Limbach*), the General Assembly enacts Senate Bill 156, repealing the tax for freight line and equipment companies as well as intrastate toll bridge, artificial gas, union depot, cooling, express and messenger companies, starting with the 1990 tax year.

1991 In response to a 1991 federal district court decision (*Cuyahoga Valley Railway Co. v. Limbach*), the General Assembly enacts House Bill 904, exempting railroads from the tax starting with the 1992 tax year.

1999 Senate Bill 3 shifts electric and rural electric companies to the kilowatt-hour tax, effective May 1, 2001. Final public utility excise tax payments for such companies are due June 2001.

2003 House Bill 95 shifts telephone companies from the public utility excise tax to the corporation franchise tax, effective after the 2004 tax year.
