

5703-41-03

**Change in taxable year and declaration of estimated taxes for short taxable years.**

- (A) Except as otherwise provided in this paragraph, terms used in this rule have the same meaning as in sections 718.80 to 718.95 of the Revised Code. As used in this rule, "short taxable year" means a taxable year consisting of a period of less than twelve full months. A short taxable year may occur if a taxpayer is not in existence for an entire taxable year or if a taxpayer changes its taxable year.
- (B) If a taxpayer changes its taxable year, the taxpayer shall notify the tax commissioner of such change no later than the due date of the federal short period return. Failure to timely notify the tax commissioner under this paragraph may result in inaccurate billing notices or assessments.
- (C) In the case of a short taxable year, no payment of estimated tax is required if the amount payable as estimated taxes for the short taxable year is less than two hundred dollars.
- (D) Except as otherwise provided in paragraph (C) of this rule, in the case of a short taxable year, the taxpayer shall file a declaration of estimated taxes and remit estimated taxes in the amount of at least ninety per cent of the combined tax liability for the taxable year to the tax commissioner on or before the fifteenth day of the last month of the short taxable year.
- (E) Although not a short taxable year, in the case of a taxpayer in existence for the entire taxable year but becoming subject to the municipal net profit tax for the first time after the beginning of the taxpayer's taxable year, the taxpayer shall file a declaration of estimated taxes and remit estimated taxes in the amount of at least ninety per cent of the combined tax liability for the taxable year by the fifteenth day of the last month of the taxable year.

~~(F) The following examples illustrate the application of this rule:~~

- ~~(1) Entity A is a taxpayer with a calendar year taxable year. Entity A closes its business as of March 15, 2020. Entity A must file a declaration and remit at least ninety per cent of the combined tax liability for taxable year 2020 by March 15, 2020. Assuming no extension is granted, Entity A must file its final return and remit any remaining amount due on or before July 15, 2020 under division (A)(1) of section 718.85 of the Revised Code.~~
- ~~(2) Entity B begins doing business June 1, 2020, and has a calendar year taxable year. Entity B must file a declaration of estimated taxes and remit at least ninety per cent of the combined tax liability for taxable year 2020 by December 15, 2020. For taxable year 2021, Entity B must make estimated tax payments according to the schedule in division (C) of section 718.88 of the~~

~~Revised Code.~~

- ~~(3) Entity C, an Indiana corporation, was doing business solely in Indiana until March 15, 2019. On March 15, 2019, Entity C opened a new location and began selling its products in Ohio city A. Entity C files its federal income tax return based on a fiscal year ending in September. For taxable year 2019, Entity C must file a declaration of estimated taxes and remit at least ninety per cent of its combined tax liability for the taxable year by September 15, 2019.~~
- ~~(4) Entity D has a fiscal year ending in July and changes to a calendar year taxpayer in 2021. Entity D has a full fiscal year ending July 31, 2021, and a short taxable year beginning August 1, 2021 and ending December 31, 2021. Under division (A)(2) of section 718.85 of the Revised Code and assuming no extension is granted, Entity D must aggregate the facts and figures necessary for the computation of its tax and file one return for both the full fiscal year ending July 31, 2021 and the short taxable year ending December 31, 2021, on or before April 15, 2022. Entity D will have made estimated payments for the fiscal year on or before November fifteenth, January fifteenth, April fifteenth, and July fifteenth. For its short taxable year, Entity D must file a declaration and remit at least ninety per cent of the combined tax liability for the short taxable year (August 1, 2021 to December 31, 2021) by December 15, 2021.~~
- ~~(5) Entity E has a calendar year taxable year ending December 31, 2019, and changes its taxable year to a fiscal year ending June 30, 2020. Assuming no extension is granted, Entity E must file its tax return for taxable year 2019, by April 15, 2020. Entity E is not required to make an estimated payment on April 15, 2020, but must file a declaration and remit at least ninety per cent of its combined tax liability for the short taxable year (January 1, 2020 to June 30, 2020) by June 15, 2020. Assuming no extension is granted, Entity E must file a return for its short taxable year by October 15, 2020.~~