

**As Passed by the House**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Am. Sub. S. B. No. 19**

**Senator Schaffer**

**Cosponsors: Senators Hottinger, Williams, Blessing, Antonio, Brenner, Craig, Dolan, Gavarone, Hackett, Hoagland, Huffman, S., McColley, O'Brien, Peterson, Reineke, Roegner, Rulli, Schuring, Sykes, Thomas, Wilson, Yuko Representatives Merrin, Carruthers, Click, Cutrona, Edwards, Jones, Lampton, Swearingen**

**A BILL**

To amend sections 306.322, 319.38, 323.08, 5703.21, 1  
5709.09, 5709.17, 5713.08, 5715.27, 5739.023, 2  
and 5741.02 and to enact section 323.18 of the 3  
Revised Code to modify the law regarding 4  
property taxation and sales and use tax. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 306.322, 319.38, 323.08, 5703.21, 6  
5709.09, 5709.17, 5713.08, 5715.27, 5739.023, and 5741.02 be 7  
amended and section 323.18 of the Revised Code be enacted to 8  
read as follows: 9

**Sec. 306.322.** (A) As used in this section: 10

(1) "Political subdivision" means a county, a municipal 11  
corporation, or a township. 12

(2) "Governing body" means a board of county commissioners 13  
of a county, a legislative authority of a municipal corporation, 14  
or a board of trustees of a township. 15

(B) For any regional transit authority that levies a 16

property tax and that includes in its membership political 17  
subdivisions that are located in a county having a population of 18  
at least four hundred thousand according to the most recent 19  
federal census, the procedures of this section apply until 20  
December 31, 2022, and are in addition to and an alternative to 21  
those established in sections 306.32, 306.321, and 306.54 of the 22  
Revised Code for joining to the regional transit authority 23  
additional political subdivisions. 24

(C) Any political subdivision may adopt a resolution or 25  
ordinance proposing to join a regional transit authority 26  
described in division (B) of this section. In its resolution or 27  
ordinance, the political subdivision may propose joining the 28  
regional transit authority for a limited period of three years 29  
or without a time limit. 30

(D) The political subdivision proposing to join the 31  
regional transit authority shall submit a copy of its resolution 32  
or ordinance to the governing body of each political subdivision 33  
comprising the regional transit authority. Within thirty days of 34  
receiving the resolution or ordinance for inclusion in the 35  
regional transit authority, the governing body of each political 36  
subdivision shall consider the question of whether to include 37  
the additional political subdivision in the regional transit 38  
authority, shall adopt a resolution or ordinance approving or 39  
rejecting the inclusion of the additional political subdivision, 40  
and shall present its resolution or ordinance to the board of 41  
trustees of the regional transit authority. 42

(E) If a majority of the political subdivisions comprising 43  
the regional transit authority approve the inclusion of the 44  
additional political subdivision under division (D) of this 45  
section, the board of trustees of the regional transit authority 46

may proceed as provided in division (K) of this section or as 47  
provided in divisions (F) to (J) of this section, as applicable. 48

(F) Not later than the tenth day following the day on 49  
which the last ordinance or resolution is presented under 50  
division (D) of this section, the board of trustees of the 51  
regional transit authority shall notify the political 52  
subdivision proposing to join the regional transit authority 53  
that it may certify the proposal to the board of elections for 54  
the purpose of having the proposal placed on the ballot at the 55  
next general election or at a special election conducted on the 56  
day of the next primary election that occurs not less than 57  
ninety days after the resolution or ordinance is certified to 58  
the board of elections. 59

(G) Upon certification of a proposal to the board of 60  
elections pursuant to division (F) of this section, the board of 61  
elections shall make the necessary arrangements for the 62  
submission of the question to the electors of the territory to 63  
be included in the regional transit authority qualified to vote 64  
on the question, and the election shall be held, canvassed, and 65  
certified in the same manner as regular elections for the 66  
election of officers of the political subdivision proposing to 67  
join the regional transit authority, except that, if the 68  
resolution proposed the inclusion without a time limitation the 69  
question appearing on the ballot shall read: 70

"Shall the territory within the \_\_\_\_\_ 71  
(Name or names of political subdivisions to be joined) be added 72  
to \_\_\_\_\_ (Name) regional transit 73  
authority and shall a(n) \_\_\_\_\_ (here insert type of tax or 74  
taxes) at a rate of taxation not to exceed \_\_\_\_\_ (here insert 75  
maximum tax rate or rates) be levied for all transit purposes?" 76

If the resolution proposed the inclusion with a three-year 77  
time limitation, the question appearing on the ballot shall 78  
read: 79

"Shall the territory within the \_\_\_\_\_ 80  
(Name or names of political subdivisions to be joined) be added 81  
to \_\_\_\_\_ (Name) regional transit 82  
authority for three years and shall a(n) \_\_\_\_\_ (here insert 83  
type of tax or taxes) at a rate of taxation not to exceed \_\_\_\_\_ 84  
(here insert maximum tax rate or rates) be levied for all 85  
transit purposes for three years?" 86

(H) If the question is approved by at least a majority of 87  
the electors voting on the question, the addition of the new 88  
territory is effective ~~six~~ twelve months from the date of the 89  
certification of its passage, and the regional transit authority 90  
may extend the levy of the tax against all the taxable property 91  
within the territory that was added. If the question is approved 92  
at a general election or at a special election occurring prior 93  
to the general election but after the fifteenth day of July, the 94  
regional transit authority may amend its budget and resolution 95  
adopted pursuant to section 5705.34 of the Revised Code, and the 96  
levy shall be placed on the current tax list and duplicate and 97  
collected as other taxes are collected from all taxable property 98  
within the territorial boundaries of the regional transit 99  
authority, including the territory within the political 100  
subdivision added as a result of the election. If the budget of 101  
the regional transit authority is amended pursuant to this 102  
paragraph, the county auditor shall prepare and deliver an 103  
amended certificate of estimated resources to reflect the change 104  
in anticipated revenues of the regional transit authority. 105

(I) If the question is approved by at least a majority of 106

the electors voting on the question, the board of trustees of 107  
the regional transit authority immediately shall amend the 108  
resolution or ordinance creating the regional transit authority 109  
to include the additional political subdivision. 110

(J) If the question approved by a majority of the electors 111  
voting on the question added the political subdivision for three 112  
years, the territory of the additional political subdivision in 113  
the regional transit authority shall be removed from the 114  
territory of the regional transit authority three years after 115  
the date the territory was added, as determined in the effective 116  
date of the election, and shall no longer be a part of that 117  
authority without any further action by either the political 118  
subdivisions that were included in the authority prior to 119  
submitting the question to the electors or of the political 120  
subdivision added to the authority as a result of the election. 121  
The regional transit authority reduced to its territory as it 122  
existed prior to the inclusion of the additional political 123  
subdivision shall be entitled to levy and collect any property 124  
taxes that it was authorized to levy and collect prior to the 125  
enlargement of its territory and for which authorization has not 126  
expired, as if the enlargement had not occurred. 127

(K) (1) If a majority of the political subdivisions 128  
comprising the regional transit authority approve the inclusion 129  
of the additional political subdivision without a time limit 130  
under division (D) of this section, the board of trustees of the 131  
regional transit authority may adopt a resolution to submit to 132  
the electors of the regional transit authority, as it would be 133  
enlarged by the inclusion, the question of including the 134  
political subdivision in the regional transit authority, of 135  
levying a tax under sections 5739.023 and 5741.022 of the 136  
Revised Code throughout the territorial boundaries of the 137

regional transit authority as so enlarged, and of repealing the 138  
property tax levied by the regional transit authority under 139  
section 306.49 of the Revised Code. 140

~~The~~ Subject to division (L) of this section, the 141  
resolution shall state all of the following: 142

(a) The date on which the political subdivision is to be 143  
included in the regional transit authority; 144

(b) The rate of the tax to be levied under sections 145  
5739.023 and 5741.022 of the Revised Code, the number of years 146  
it is to be levied or that it is to be levied for a continuing 147  
period of time, and the date on which it shall first be levied, 148  
all as provided under section 5739.023 of the Revised Code; 149

(c) The last tax year that the property tax is to be 150  
levied under section 306.49 of the Revised Code. 151

~~(2) Except as otherwise provided in division (K) (5) of~~ 152  
~~this section, the political subdivision shall not be joined to~~ 153  
~~the regional transit authority before the first day sales and~~ 154  
~~use tax is levied by the regional transit authority under~~ 155  
~~sections 5739.023 and 5741.022 of the Revised Code. Sales and~~ 156  
~~use tax shall not be levied under those sections on or before~~ 157  
~~the last day of the last tax year the regional transit authority~~ 158  
~~levies property tax under section 306.49 of the Revised Code.~~ 159

~~(3)~~ The board of trustees of the regional transit 160  
authority shall certify the resolution to the board of elections 161  
for the purpose of having the proposal placed on the ballot at 162  
the next general election or at a special election conducted on 163  
the day of the next primary election that occurs not less than 164  
ninety days after the resolution is certified to the board of 165  
elections. The election shall be held, canvassed, and certified, 166

as provided in section 306.70 of the Revised Code, except that 167  
the question appearing on the ballot shall read: 168

"Shall the territory within the \_\_\_\_\_ (Name or 169  
names of political subdivisions to be joined) be added to 170  
\_\_\_\_\_ (Name) regional transit authority, shall sales 171  
and use tax at a rate not exceeding \_\_\_\_\_ (Insert tax rate) 172  
be levied for all transit purposes throughout the territory of 173  
the regional transit authority, and shall the existing property 174  
tax levied for transit purposes be repealed?" 175

~~(4) If (3) Subject to division (L) of this section, if the 176  
question is approved, the sales and use tax may be levied and 177  
collected as is otherwise provided under sections 5739.023 and 178  
5741.022 of the Revised Code on and after the date stated in the 179  
resolution. 180~~

~~(5) The board of trustees shall appropriate from the first 181  
moneys received from the sales and use tax in each year the full 182  
amount required in order to pay the principal of and interest on 183  
any notes of the regional transit authority issued pursuant to 184  
section 306.49 of the Revised Code in anticipation of the 185  
collection of the property tax. The board of trustees shall not 186  
thereafter levy and collect the property tax unless and to the 187  
extent that the levy and collection is necessary to pay the 188  
principal of and interest on notes issued in anticipation of the 189  
property tax in order to avoid impairing the obligation of the 190  
contract between the regional transit authority and the note 191  
holders. Such property tax shall be levied only in the territory 192  
of the authority as it existed before the political subdivision 193  
was joined to the authority. 194~~

~~(6) If the question is approved after the fifteenth day of 195  
July in any calendar year, the regional transit authority may 196~~

~~amend its budget for the current and next fiscal year, and any~~ 197  
~~resolution adopted pursuant to section 5705.34 of the Revised~~ 198  
~~Code, to reflect the imposition of the sales and use tax, and~~ 199  
~~shall amend its budget for the next fiscal year, and any~~ 200  
~~resolution adopted pursuant to section 5705.34 of the Revised~~ 201  
~~Code, to comply with division (K) (5) of this section. If the~~ 202  
~~budget of the regional transit authority is amended pursuant to~~ 203  
~~this division, the county auditor shall prepare and deliver an~~ 204  
~~amended certificate of estimated resources to reflect the change~~ 205  
~~in anticipated revenues of the regional transit authority.~~ 206

~~(7)~~ (4) If the question is approved, the board of trustees 207  
of the regional transit authority immediately shall amend the 208  
resolution or ordinance creating the regional transit authority 209  
to include the additional political subdivision. 210

(L) Notwithstanding any resolution adopted or tax approved 211  
by electors under division (K) of this section before, on, or 212  
after the effective date of this amendment, all of the following 213  
apply: 214

(1) The date on which the political subdivision is to be 215  
added to the regional transit authority shall be the first day 216  
of January that occurs at least twelve months after the 217  
certification date of the question's passage under division (K) 218  
(2) of this section. 219

(2) A sales and use tax levied under division (K) of this 220  
section shall not be levied until on or after the first day of 221  
January described in division (L) (1) of this section. If the 222  
sales and tax is approved for a specified number of years, the 223  
regional transit authority may levy and collect the tax for 224  
those number of years, notwithstanding the date stated in the 225  
resolution adopted under division (K) (1) of this section on 226



which the tax is to be first levied. 227

(3) The rate of a sales and use tax levied pursuant to a 228  
combined question under division (K) of this section may not 229  
exceed three-tenths of one per cent, notwithstanding division 230  
(A) (3) of section 5739.023 of the Revised Code. 231

(4) A property tax levied by a regional transit authority 232  
under section 306.40 or 306.49 of the Revised Code may not be 233  
levied for a tax year that includes the date a sales and use tax 234  
is levied under division (K) of this section by that transit 235  
authority, as provided in division (A) (3) of section 5739.023 of 236  
the Revised Code. 237

**Sec. 319.38.** Whenever it is made to appear to the county 238  
auditor, ~~by the oath of the owner or one of the owners of a~~ 239  
~~building or structure, land, orchard, timber, ornamental trees,~~ 240  
~~or groves, or by the affidavit of~~ based on an inspection by the 241  
county auditor or based on notice provided to the county 242  
auditor, on a form prescribed by the department of taxation, by 243  
a property owner or two disinterested persons who are residents 244  
of the township or municipal corporation in which ~~such the~~ 245  
property is or was situated, that it property that is listed for 246  
taxation for the current year, ~~and~~ has been destroyed or injured 247  
after the first day of January of the current year, the county 248  
auditor shall investigate the matter and adjust the valuation of 249  
the property, on the tax list for the current year, as 250  
prescribed by divisions (A) through (D) of this section: 251

(A) If the injury or destruction occurred during the first 252  
calendar quarter, the county auditor shall deduct from the 253  
valuation of the property an amount that, in the county 254  
auditor's judgment, fairly represents the extent of the injury 255  
or destruction; 256

(B) If the injury or destruction occurred during the 257  
second calendar quarter, the county auditor shall deduct from 258  
the valuation of the property seventy-five per cent of the 259  
amount that, in the county auditor's judgment, fairly represents 260  
the extent of the injury or destruction; 261

(C) If the injury or destruction occurred during the third 262  
calendar quarter, the county auditor shall deduct from the 263  
valuation of the property fifty per cent of the amount that, in 264  
the county auditor's judgment, fairly represents the extent of 265  
the injury or destruction; 266

(D) If the injury or destruction occurred during the 267  
fourth calendar quarter, the county auditor shall deduct from 268  
the valuation of the property twenty-five per cent of the amount 269  
that, in the county auditor's judgment, fairly represents the 270  
extent of the injury or destruction. 271

No such deduction shall be made in the case of an injury 272  
~~to or destruction of a building, structure, land, orchard,~~ 273  
~~timber, ornamental trees, or groves,~~ resulting in damage of less 274  
than one hundred dollars. 275

If a form has not been filed with the county auditor by 276  
either an owner or two disinterested persons but it appears to 277  
the county auditor, based on an inspection and investigation, 278  
that the owner's property is listed for taxation for the current 279  
year and has been destroyed or injured after the first day of 280  
January of the current year, the county auditor may complete the 281  
form on behalf of an owner. 282

~~To obtain the deductions prescribed in divisions (A) to 283~~  
~~(D) of this section, the owner or one of the owners of injured 284~~  
~~or destroyed property or the two disinterested persons who are 285~~

~~residents of the township or municipal corporation in which the~~ 286  
~~property is or was situated shall apply to the county auditor.~~ 287  
~~In the case of a deduction under division (A), (B), or (C) of~~ 288  
~~this section, the oath or affidavit shall be filed an owner or~~ 289  
~~two disinterested persons shall file the form with the county~~ 290  
~~auditor, or the county auditor shall complete the form on behalf~~ 291  
~~of an owner, not later than the thirty-first day of December of~~ 292  
~~the year in which the injury or destruction occurred. ~~In the~~~~ 293  
~~~~ease of~~ To obtain a deduction under division (D) of this~~ 294  
~~section, the oath or affidavit shall be filed an owner or two~~ 295  
~~disinterested persons shall file the form with the county~~ 296  
~~auditor, or the county auditor shall complete the form on behalf~~ 297  
~~of an owner, not later than the thirty-first day of January of~~ 298  
~~the year after the year in which the injury or destruction~~ 299  
~~occurred.~~ 300

The county auditor shall certify the deductions made under 301  
this section to the county treasurer, who shall correct the tax 302  
list and duplicate in accordance with such deductions. If the 303  
deduction cannot be entered upon the current tax list and 304  
duplicate, the county auditor shall proceed in the manner 305  
prescribed under section 5715.22 of the Revised Code to refund 306  
or credit to the taxpayer the amount of the reduction in taxes 307  
attributable to the deduction in valuation made under this 308  
section. 309

**Sec. 323.08.** After certifying the tax list and duplicate 310  
pursuant to section 319.28 of the Revised Code, the county 311  
auditor shall deliver a list of the tax rates, ~~tax reduction~~ 312  
~~factors,~~ expressed in mills for each one dollar of taxable 313  
value, and effective tax rates, expressed both in mills for each 314  
one dollar of taxable value and as a percentage of true value, 315  
assessed and applied against each of the two classes of property 316

of the county to the county treasurer, who shall immediately 317  
cause a schedule of all such ~~tax rates and effective rates~~ to be 318  
published in a newspaper of general circulation in the county 319  
or, in lieu of such publication, the county treasurer may insert 320  
a copy of such schedule with each tax bill mailed. Such schedule 321  
shall specify particularly the rates and effective rates of 322  
taxation levied for all purposes on the tax list and duplicate 323  
for the support of the various taxing units within the county, 324  
expressed in dollars and cents for each one thousand dollars of 325  
valuation. ~~The effective tax rates shall be printed in boldface-~~ 326  
~~type.~~ The schedule may also include, in the county auditor's 327  
discretion, the tax reduction factors for each of the two 328  
classes of property of the county, or it may exclude that 329  
information if the county auditor prefers the schedule to be 330  
more concise and more user-friendly. 331

The county treasurer shall publish notice of the date of 332  
the last date for payment of each installment of taxes once a 333  
week for two successive weeks prior to such date in a newspaper 334  
of general circulation within the county or as provided in 335  
section 7.16 of the Revised Code. The notice shall be inserted 336  
in a conspicuous place in the newspaper and shall also contain 337  
notice that any taxes paid after such date will accrue a penalty 338  
and interest and that failure to receive a tax bill will not 339  
avoid such penalty and interest. The notice shall contain a 340  
telephone number that may be called by taxpayers who have not 341  
received tax bills. 342

As used in this section and section 323.131 of the Revised 343  
Code, "effective tax rate" means the effective rate after making 344  
the reduction required by section 319.301, but before making the 345  
reduction required by section 319.302 of the Revised Code. 346

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| <u>Sec. 323.18. (A) As used in this section:</u>                        | 347 |
| <u>(1) "Dwelling tax exemptions" means the partial real</u>             | 348 |
| <u>property tax or manufactured and mobile home tax exemptions</u>      | 349 |
| <u>authorized under divisions (A) and (B) of section 323.152 and</u>    | 350 |
| <u>section 4503.065 of the Revised Code.</u>                            | 351 |
| <u>(2) A manufactured or mobile home is "located" in the</u>            | 352 |
| <u>county in which the home has its situs for the purpose of</u>        | 353 |
| <u>section 4503.06 of the Revised Code.</u>                             | 354 |
| <u>(3) "Triennial update" means the third-year update</u>               | 355 |
| <u>referred to in division (B) of section 5715.24 of the Revised</u>    | 356 |
| <u>Code.</u>                                                            | 357 |
| <u>(4) "Sexennial appraisal" means an appraisal required</u>            | 358 |
| <u>under section 5713.01 of the Revised Code.</u>                       | 359 |
| <u>(B) Not later than the first day of January of each year,</u>        | 360 |
| <u>beginning in the first year commencing after the effective date</u>  | 361 |
| <u>of this section, the commissioner shall notify and order the</u>     | 362 |
| <u>county auditor and county treasurer of each county subject to a</u>  | 363 |
| <u>triennial update or sexennial reappraisal for that year to</u>       | 364 |
| <u>provide to the commissioner, on or before the deadline</u>           | 365 |
| <u>prescribed by the commissioner, a list of the parcels of real</u>    | 366 |
| <u>property and manufactured or mobile homes that are located</u>       | 367 |
| <u>within the county and receive one or more dwelling tax</u>           | 368 |
| <u>exemptions. The commissioner may request additional information</u>  | 369 |
| <u>from the county that is required to determine the eligibility of</u> | 370 |
| <u>the parcels and homes for those exemptions. The county auditor</u>   | 371 |
| <u>or treasurer shall respond in a reasonable time to such requests</u> | 372 |
| <u>and provide the requested list or information in the electronic</u>  | 373 |
| <u>format and manner prescribed by the commissioner, in</u>             | 374 |
| <u>consultation with the county auditors association of Ohio.</u>       | 375 |

(C) The commissioner shall compare the information 376  
provided under division (B) of this section to the records 377  
maintained by the registrar of motor vehicles under section 378  
4501.021 of the Revised Code, vital statistics compiled under 379  
Chapter 3705. of the Revised Code, records of the department of 380  
taxation, or any other records or databases that are accessible 381  
to the commissioner and that the commissioner determines is 382  
required to evaluate the eligibility of a parcel or home for the 383  
applicable dwelling tax exemption or exemptions. 384

(D) Upon completion of the comparison required under 385  
division (C) of this section, the commissioner shall, as soon as 386  
is practicable after receipt of the information provided under 387  
division (B) of this section, submit a report to the county 388  
auditor of each county required to submit such information 389  
listing any parcels of real property and manufactured or mobile 390  
homes in that county provided under that division whose 391  
eligibility for one or more dwelling tax exemptions appear to be 392  
inconsistent with records or databases reviewed by the 393  
commissioner under division (C) of this section. Information 394  
received by a county auditor from the commissioner pursuant to 395  
division (D) of this section shall be kept confidential, except 396  
as provided by division (E) of this section, and is not a public 397  
record as defined in section 149.43 of the Revised Code. 398

(E) Before the first day of January of the next tax year 399  
in which the county is subject to a triennial update or 400  
sexennial reappraisal, the county auditor of the county shall 401  
investigate the parcels and homes listed in the commissioner's 402  
report submitted under division (D) of this section and submit a 403  
report to the commissioner and the auditor of state, containing 404  
the following: 405

(1) A list of the parcels and homes included in the 406  
commissioner's report that the county auditor determines to be 407  
eligible for the applicable dwelling tax exemptions; 408

(2) A list of the parcels and homes included in the 409  
commissioner's report that the county auditor determines are not 410  
eligible for one or more dwelling tax exemptions the parcel or 411  
home received previously; 412

(3) A list of the parcels and homes included in the 413  
commissioner's report for which the county auditor has not yet 414  
made a final determination. 415

(F) Not later than the first day of April following the 416  
receipt of reports under division (E) of this section, the 417  
commissioner shall compile a report summarizing the findings of 418  
those reports and describing the prevalence of ineligible 419  
parcels and homes receiving one or more dwelling tax exemptions. 420  
The report may include information on the following: 421

(1) Savings to the state from the discovery and 422  
disqualification of ineligible parcels and homes that were 423  
previously receiving such exemptions; 424

(2) Data limitations that the commissioner encountered 425  
while assessing the eligibility of parcels and homes. 426

(G) The commissioner shall submit a copy of the report 427  
compiled under division (F) of this section to the general 428  
assembly, as provided by division (B) of section 101.68 of the 429  
Revised Code, the auditor of state, and the governor. 430

(H) The auditor of state, at any time, may audit the study 431  
required under this section in accordance with Chapter 117. of 432  
the Revised Code. 433

**Sec. 5703.21.** (A) Except as provided in divisions (B) and 434  
(C) of this section, no agent of the department of taxation, 435  
except in the agent's report to the department or when called on 436  
to testify in any court or proceeding, shall divulge any 437  
information acquired by the agent as to the transactions, 438  
property, or business of any person while acting or claiming to 439  
act under orders of the department. Whoever violates this 440  
provision shall thereafter be disqualified from acting as an 441  
officer or employee or in any other capacity under appointment 442  
or employment of the department. 443

(B) (1) For purposes of an audit pursuant to section 117.15 444  
of the Revised Code, or an audit of the department pursuant to 445  
Chapter 117. of the Revised Code, or an audit, pursuant to that 446  
chapter, the objective of which is to express an opinion on a 447  
financial report or statement prepared or issued pursuant to 448  
division (A) (7) or (9) of section 126.21 of the Revised Code, 449  
the officers and employees of the auditor of state charged with 450  
conducting the audit shall have access to and the right to 451  
examine any state tax returns and state tax return information 452  
in the possession of the department to the extent that the 453  
access and examination are necessary for purposes of the audit. 454  
Any information acquired as the result of that access and 455  
examination shall not be divulged for any purpose other than as 456  
required for the audit or unless the officers and employees are 457  
required to testify in a court or proceeding under compulsion of 458  
legal process. Whoever violates this provision shall thereafter 459  
be disqualified from acting as an officer or employee or in any 460  
other capacity under appointment or employment of the auditor of 461  
state. 462

(2) For purposes of an internal audit pursuant to section 463  
126.45 of the Revised Code, the officers and employees of the 464



office of internal audit in the office of budget and management 465  
charged with directing the internal audit shall have access to 466  
and the right to examine any state tax returns and state tax 467  
return information in the possession of the department to the 468  
extent that the access and examination are necessary for 469  
purposes of the internal audit. Any information acquired as the 470  
result of that access and examination shall not be divulged for 471  
any purpose other than as required for the internal audit or 472  
unless the officers and employees are required to testify in a 473  
court or proceeding under compulsion of legal process. Whoever 474  
violates this provision shall thereafter be disqualified from 475  
acting as an officer or employee or in any other capacity under 476  
appointment or employment of the office of internal audit. 477

(3) As provided by section 6103(d)(2) of the Internal 478  
Revenue Code, any federal tax returns or federal tax information 479  
that the department has acquired from the internal revenue 480  
service, through federal and state statutory authority, may be 481  
disclosed to the auditor of state or the office of internal 482  
audit solely for purposes of an audit of the department. 483

(4) For purposes of Chapter 3739. of the Revised Code, an 484  
agent of the department of taxation may share information with 485  
the division of state fire marshal that the agent finds during 486  
the course of an investigation. 487

(C) Division (A) of this section does not prohibit any of 488  
the following: 489

(1) Divulging information contained in applications, 490  
complaints, and related documents filed with the department 491  
under section 5715.27 of the Revised Code or in applications 492  
filed with the department under section 5715.39 of the Revised 493  
Code; 494

|                                                                  |     |
|------------------------------------------------------------------|-----|
| (2) Providing information to the office of child support         | 495 |
| within the department of job and family services pursuant to     | 496 |
| section 3125.43 of the Revised Code;                             | 497 |
| (3) Disclosing to the motor vehicle repair board any             | 498 |
| information in the possession of the department that is          | 499 |
| necessary for the board to verify the existence of an            | 500 |
| applicant's valid vendor's license and current state tax         | 501 |
| identification number under section 4775.07 of the Revised Code; | 502 |
| (4) Providing information to the administrator of workers'       | 503 |
| compensation pursuant to sections 4123.271 and 4123.591 of the   | 504 |
| Revised Code;                                                    | 505 |
| (5) Providing to the attorney general information the            | 506 |
| department obtains under division (J) of section 1346.01 of the  | 507 |
| Revised Code;                                                    | 508 |
| (6) Permitting properly authorized officers, employees, or       | 509 |
| agents of a municipal corporation from inspecting reports or     | 510 |
| information pursuant to section 718.84 of the Revised Code or    | 511 |
| rules adopted under section 5745.16 of the Revised Code;         | 512 |
| (7) Providing information regarding the name, account            | 513 |
| number, or business address of a holder of a vendor's license    | 514 |
| issued pursuant to section 5739.17 of the Revised Code, a holder | 515 |
| of a direct payment permit issued pursuant to section 5739.031   | 516 |
| of the Revised Code, or a seller having a use tax account        | 517 |
| maintained pursuant to section 5741.17 of the Revised Code, or   | 518 |
| information regarding the active or inactive status of a         | 519 |
| vendor's license, direct payment permit, or seller's use tax     | 520 |
| account;                                                         | 521 |
| (8) Releasing invoices or invoice information furnished          | 522 |
| under section 4301.433 of the Revised Code pursuant to that      | 523 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| section;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 524                                                  |
| (9) Providing to a county auditor notices or documents concerning or affecting the taxable value of property in the county auditor's county <u>or the eligibility of such property for one or more dwelling tax exemptions, as that term is defined in section 323.18 of the Revised Code.</u> Unless authorized by law to disclose documents so provided, the county auditor shall not disclose such documents;                                                                                      | 525<br>526<br>527<br>528<br>529<br>530<br>531        |
| (10) Providing to a county auditor sales or use tax return or audit information under section 333.06 of the Revised Code;                                                                                                                                                                                                                                                                                                                                                                             | 532<br>533                                           |
| (11) Subject to section 4301.441 of the Revised Code, disclosing to the appropriate state agency information in the possession of the department of taxation that is necessary to verify a permit holder's gallonage or noncompliance with taxes levied under Chapter 4301. or 4305. of the Revised Code;                                                                                                                                                                                             | 534<br>535<br>536<br>537<br>538                      |
| (12) Disclosing to the department of natural resources information in the possession of the department of taxation that is necessary for the department of taxation to verify the taxpayer's compliance with section 5749.02 of the Revised Code or to allow the department of natural resources to enforce Chapter 1509. of the Revised Code;                                                                                                                                                        | 539<br>540<br>541<br>542<br>543<br>544               |
| (13) Disclosing to the department of job and family services, industrial commission, and bureau of workers' compensation information in the possession of the department of taxation solely for the purpose of identifying employers that misclassify employees as independent contractors or that fail to properly report and pay employer tax liabilities. The department of taxation shall disclose only such information that is necessary to verify employer compliance with law administered by | 545<br>546<br>547<br>548<br>549<br>550<br>551<br>552 |

those agencies. 553

(14) Disclosing to the Ohio casino control commission 554  
information in the possession of the department of taxation that 555  
is necessary to verify a casino operator's compliance with 556  
section 5747.063 or 5753.02 of the Revised Code and sections 557  
related thereto; 558

(15) Disclosing to the state lottery commission 559  
information in the possession of the department of taxation that 560  
is necessary to verify a lottery sales agent's compliance with 561  
section 5747.064 of the Revised Code. 562

(16) Disclosing to the development services agency 563  
information in the possession of the department of taxation that 564  
is necessary to ensure compliance with the laws of this state 565  
governing taxation and to verify information reported to the 566  
development services agency for the purpose of evaluating 567  
potential tax credits, grants, or loans. Such information shall 568  
not include information received from the internal revenue 569  
service the disclosure of which is prohibited by section 6103 of 570  
the Internal Revenue Code. No officer, employee, or agent of the 571  
development services agency shall disclose any information 572  
provided to the development services agency by the department of 573  
taxation under division (C) (16) of this section except when 574  
disclosure of the information is necessary for, and made solely 575  
for the purpose of facilitating, the evaluation of potential tax 576  
credits, grants, or loans. 577

(17) Disclosing to the department of insurance information 578  
in the possession of the department of taxation that is 579  
necessary to ensure a taxpayer's compliance with the 580  
requirements with any tax credit administered by the development 581  
services agency and claimed by the taxpayer against any tax 582

administered by the superintendent of insurance. No officer, 583  
employee, or agent of the department of insurance shall disclose 584  
any information provided to the department of insurance by the 585  
department of taxation under division (C)(17) of this section. 586

(18) Disclosing to the division of liquor control 587  
information in the possession of the department of taxation that 588  
is necessary for the division and department to comply with the 589  
requirements of sections 4303.26 and 4303.271 of the Revised 590  
Code. 591

(19) Disclosing to the department of education, upon that 592  
department's request, information in the possession of the 593  
department of taxation that is necessary only to verify whether 594  
the family income of a student applying for or receiving a 595  
scholarship under the educational choice scholarship pilot 596  
program is equal to, less than, or greater than the income 597  
thresholds prescribed by section 3310.02 or 3310.032 of the 598  
Revised Code. The department of education shall provide 599  
sufficient information about the student and the student's 600  
family to enable the department of taxation to make the 601  
verification. 602

(20) Disclosing to the Ohio rail development commission 603  
information in the possession of the department of taxation that 604  
is necessary to ensure compliance with the laws of this state 605  
governing taxation and to verify information reported to the 606  
commission for the purpose of evaluating potential grants or 607  
loans. Such information shall not include information received 608  
from the internal revenue service the disclosure of which is 609  
prohibited by section 6103 of the Internal Revenue Code. No 610  
member, officer, employee, or agent of the Ohio rail development 611  
commission shall disclose any information provided to the 612

commission by the department of taxation under division (C) (20) 613  
of this section except when disclosure of the information is 614  
necessary for, and made solely for the purpose of facilitating, 615  
the evaluation of potential grants or loans. 616

**Sec. 5709.09.** (A) Real property or any estate, interest, 617  
or right therein dedicated in accordance with section 1517.05 of 618  
the Revised Code is exempt from taxation. 619

(B) Real property is exempt from taxation if 620  
the property is owned or held by an organization that is 621  
organized for the purpose of natural resources protection, 622  
preservation, restoration, or enhancement or water quality 623  
improvement and that is described under section 501(c) (3) of the 624  
Internal Revenue Code and exempt from taxation under section 625  
501(a) of the Internal Revenue Code 626

and if either of the following apply: 627

(1) The property is subject to an environmental response 628  
project described in division (E) (2) of section 5301.80 of the 629  
Revised Code; 630

(2) The property is subject to a nature water project that 631  
receives funding from the H2Ohio fund established in section 632  
126.60 of the Revised Code. 633

**Sec. 5709.17.** The following property shall be exempted 634  
from taxation: 635

(A) Real estate held or occupied by an association or 636  
corporation, organized or incorporated under the laws of this 637  
state relative to soldiers' memorial associations or monumental 638  
building associations and that, in the opinion of the trustees, 639  
directors, or managers thereof, is necessary and proper to carry 640

out the object intended for such association or corporation; 641

(B) Real estate and tangible personal property held or 642  
occupied by a qualifying veterans' organization and used 643  
primarily for meetings and administration of the qualifying 644  
veterans' organization or for providing, on a not-for-profit 645  
basis, programs and supportive services to past or present 646  
members of the armed forces of the United States and their 647  
families, except real estate held by such an organization for 648  
the production of rental income in excess of thirty-six thousand 649  
dollars in a tax year, before accounting for any cost or expense 650  
incurred in the production of such income. For the purposes of 651  
this division, rental income includes only income arising 652  
directly from renting the real estate to others for 653  
consideration, but does not include income arising from renting 654  
the real estate to a qualifying veterans' organization. 655

As used in this division, "qualifying veterans' 656  
organization" means an organization that is incorporated under 657  
the laws of this state or the United States and that meets 658  
either of the following requirements: 659

(1) The organization qualifies for exemption from taxation 660  
under section 501(c)(19) or 501(c)(23) of the Internal Revenue 661  
Code. 662

(2) The organization meets the criteria for exemption 663  
under section 501(c)(19) of the Internal Revenue Code and 664  
regulations adopted pursuant thereto, but is exempt from 665  
taxation under section 501(c)(4) of the Internal Revenue Code. 666

(C) Tangible personal property held by a corporation 667  
chartered under 112 Stat. 1335, 36 U.S.C. 40701, described in 668  
section 501(c)(3) of the Internal Revenue Code, and exempt from 669

taxation under section 501(a) of the Internal Revenue Code shall 670  
be exempt from taxation if it is property obtained as described 671  
in 112 Stat. 1335-1341, 36 U.S.C.A. Chapter 407. 672

(D) Real estate held or occupied by a fraternal 673  
organization and used primarily for meetings of and the 674  
administration of the fraternal organization or for providing, 675  
on a not-for-profit basis, educational or health services, 676  
except real estate held by such an organization for the 677  
production of rental income in excess of thirty-six thousand 678  
dollars in a tax year before accounting for any cost or expense 679  
incurred in the production of such income. For the purposes of 680  
this division, rental income includes only income arising 681  
directly from renting the real estate to others for 682  
consideration, but does not include income arising from renting 683  
the real estate to any fraternal organization for use primarily 684  
for meetings of and the administration of such fraternal 685  
organization or for providing, on a not-for-profit basis, 686  
educational or health services. As used in this division, 687  
"fraternal organization" means a domestic fraternal society, 688  
order, or association operating under the lodge, council, or 689  
grange system that qualifies for exemption from taxation under 690  
section 501(c)(5), 501(c)(8), or 501(c)(10) of the "Internal 691  
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended; 692  
that provides financial support for charitable purposes, as 693  
defined in division (B)(12) of section 5739.02 of the Revised 694  
Code; and that operates under either a state or national 695  
governing body that has been operating in this state for at 696  
least eighty-five years. 697

**Sec. 5713.08.** (A) The county auditor shall make a list of 698  
all real and personal property in the auditor's county that is 699  
exempted from taxation. Such list shall show the name of the 700



owner, the value of the property exempted, and a statement in 701  
brief form of the ground on which such exemption has been 702  
granted. It shall be corrected annually by adding thereto the 703  
items of property which have been exempted during the year, and 704  
by striking therefrom the items which in the opinion of the 705  
auditor have lost their right of exemption and which have been 706  
reentered on the taxable list, but no property shall be struck 707  
from the exempt property list solely because the property has 708  
been conveyed to a single member limited liability company with 709  
a nonprofit purpose from its nonprofit member or because the 710  
property has been conveyed by a single member limited liability 711  
company with a nonprofit purpose to its nonprofit member. No 712  
additions shall be made to such exempt lists and no additional 713  
items of property shall be exempted from taxation without the 714  
consent of the tax commissioner as is provided for in section 715  
5715.27 of the Revised Code or without the consent of the 716  
housing officer under section 3735.67 of the Revised Code, 717  
except for property exempted by the auditor under that section, 718  
~~property owned by a community school and subject to the~~ 719  
~~exemption authorized under division (A) (1) of section 5709.07 of~~ 720  
~~the Revised Code for tax years after the tax year for which the~~ 721  
~~commissioner grants an application under section 5715.27 of the~~ 722  
~~Revised Code, as described in division (I) of that section, or~~ 723  
qualifying agricultural real property, as defined in section 724  
5709.28 of the Revised Code, that is enrolled in an agriculture 725  
security area that is exempt under that section. 726

The commissioner may revise at any time the list in every 727  
county so that no property is improperly or illegally exempted 728  
from taxation. The auditor shall follow the orders of the 729  
commissioner given under this section. An abstract of such list 730  
shall be filed annually with the commissioner, on a form 731

approved by the commissioner, and a copy thereof shall be kept 732  
on file in the office of each auditor for public inspection. 733

An application for exemption of property shall include a 734  
certificate executed by the county treasurer certifying one of 735  
the following: 736

(1) That all taxes, interest, and penalties levied and 737  
assessed against the property sought to be exempted have been 738  
paid in full for all of the tax years preceding the tax year for 739  
which the application for exemption is filed, except for such 740  
taxes, interest, and penalties that may be remitted under 741  
division (C) of this section; 742

(2) That the applicant has entered into a valid delinquent 743  
tax contract with the county treasurer pursuant to division (A) 744  
of section 323.31 of the Revised Code to pay all of the 745  
delinquent taxes, interest, and penalties charged against the 746  
property, except for such taxes, interest, and penalties that 747  
may be remitted under division (C) of this section. If the 748  
auditor receives notice under section 323.31 of the Revised Code 749  
that such a written delinquent tax contract has become void, the 750  
auditor shall strike such property from the list of exempted 751  
property and reenter such property on the taxable list. If 752  
property is removed from the exempt list because a written 753  
delinquent tax contract has become void, current taxes shall 754  
first be extended against that property on the general tax list 755  
and duplicate of real and public utility property for the tax 756  
year in which the auditor receives the notice required by 757  
division (A) of section 323.31 of the Revised Code that the 758  
delinquent tax contract has become void or, if that notice is 759  
not timely made, for the tax year in which falls the latest date 760  
by which the treasurer is required by such section to give such 761

notice. A county auditor shall not remove from any tax list and 762  
duplicate the amount of any unpaid delinquent taxes, 763  
assessments, interest, or penalties owed on property that is 764  
placed on the exempt list pursuant to this division. 765

(3) That a tax certificate has been issued under section 766  
5721.32 or 5721.33 of the Revised Code with respect to the 767  
property that is the subject of the application, and the tax 768  
certificate is outstanding. 769

(B) If the treasurer's certificate is not included with 770  
the application or the certificate reflects unpaid taxes, 771  
penalties, and interest that may not be remitted, the tax 772  
commissioner or county auditor with whom the application was 773  
filed shall notify the property owner of that fact, and the 774  
applicant shall be given sixty days from the date that 775  
notification was mailed in which to provide the tax commissioner 776  
or county auditor with a corrected treasurer's certificate. If a 777  
corrected treasurer's certificate is not received within the 778  
time permitted, the tax commissioner or county auditor does not 779  
have authority to consider the tax exemption application. 780

(C) Any taxes, interest, and penalties which have become a 781  
lien after the property was first used for the exempt purpose, 782  
but in no case prior to the date of acquisition of the title to 783  
the property by the applicant, may be remitted by the 784  
commissioner or county auditor, except as is provided in 785  
division (A) of section 5713.081 of the Revised Code. 786

(D) Real property acquired by the state in fee simple is 787  
exempt from taxation from the date of acquisition of title or 788  
date of possession, whichever is the earlier date, provided that 789  
all taxes, interest, and penalties as provided in the 790  
apportionment provisions of section 319.20 of the Revised Code 791

have been paid to the date of acquisition of title or date of 792  
possession by the state, whichever is earlier. The proportionate 793  
amount of taxes that are a lien but not yet determined, 794  
assessed, and levied for the year in which the property is 795  
acquired, shall be remitted by the county auditor for the 796  
balance of the year from date of acquisition of title or date of 797  
possession, whichever is earlier. This section shall not be 798  
construed to authorize the exemption of such property from 799  
taxation or the remission of taxes, interest, and penalties 800  
thereon until all private use has terminated. 801

**Sec. 5715.27.** (A) (1) Except as provided in division (A) (2) 802  
of this section and in section 3735.67 of the Revised Code, the 803  
owner, a vendee in possession under a purchase agreement or a 804  
land contract, the beneficiary of a trust, or a lessee for an 805  
initial term of not less than thirty years of any property may 806  
file an application with the tax commissioner, on forms 807  
prescribed by the commissioner, requesting that such property be 808  
exempted from taxation and that taxes, interest, and penalties 809  
be remitted as provided in division (C) of section 5713.08 of 810  
the Revised Code. 811

(2) If the property that is the subject of the application 812  
for exemption is any of the following, the application shall be 813  
filed with the county auditor of the county in which the 814  
property is listed for taxation: 815

(a) A public road or highway; 816

(b) Property belonging to the federal government of the 817  
United States; 818

(c) Additions or other improvements to an existing 819  
building or structure that belongs to the state or a political 820

subdivision, as defined in section 5713.081 of the Revised Code, 821  
and that is exempted from taxation as property used exclusively 822  
for a public purpose. 823

(B) The board of education of any school district may 824  
request the tax commissioner or county auditor to provide it 825  
with notification of applications for exemption from taxation 826  
for property located within that district. If so requested, the 827  
commissioner or auditor shall send to the board on a monthly 828  
basis reports that contain sufficient information to enable the 829  
board to identify each property that is the subject of an 830  
exemption application, including, but not limited to, the name 831  
of the property owner or applicant, the address of the property, 832  
and the auditor's parcel number. The commissioner or auditor 833  
shall mail the reports by the fifteenth day of the month 834  
following the end of the month in which the commissioner or 835  
auditor receives the applications for exemption. 836

(C) A board of education that has requested notification 837  
under division (B) of this section may, with respect to any 838  
application for exemption of property located in the district 839  
and included in the commissioner's or auditor's most recent 840  
report provided under that division, file a statement with the 841  
commissioner or auditor and with the applicant indicating its 842  
intent to submit evidence and participate in any hearing on the 843  
application. The statements shall be filed prior to the first 844  
day of the third month following the end of the month in which 845  
that application was docketed by the commissioner or auditor. A 846  
statement filed in compliance with this division entitles the 847  
district to submit evidence and to participate in any hearing on 848  
the property and makes the district a party for purposes of 849  
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 850  
the commissioner's or auditor's decision to the board of tax 851

appeals. 852

(D) The commissioner or auditor shall not hold a hearing 853  
on or grant or deny an application for exemption of property in 854  
a school district whose board of education has requested 855  
notification under division (B) of this section until the end of 856  
the period within which the board may submit a statement with 857  
respect to that application under division (C) of this section. 858  
The commissioner or auditor may act upon an application at any 859  
time prior to that date upon receipt of a written waiver from 860  
each such board of education, or, in the case of exemptions 861  
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 862  
5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 863  
5709.84, or 5709.88 of the Revised Code, upon the request of the 864  
property owner. Failure of a board of education to receive the 865  
report required in division (B) of this section shall not void 866  
an action of the commissioner or auditor with respect to any 867  
application. The commissioner or auditor may extend the time for 868  
filing a statement under division (C) of this section. 869

(E) A complaint may also be filed with the commissioner or 870  
auditor by any person, board, or officer authorized by section 871  
5715.19 of the Revised Code to file complaints with the county 872  
board of revision against the continued exemption of any 873  
property granted exemption by the commissioner or auditor under 874  
this section. 875

(F) An application for exemption and a complaint against 876  
exemption shall be filed prior to the thirty-first day of 877  
December of the tax year for which exemption is requested or for 878  
which the liability of the property to taxation in that year is 879  
requested. The commissioner or auditor shall consider such 880  
application or complaint in accordance with procedures 881

established by the commissioner, determine whether the property 882  
is subject to taxation or exempt therefrom, and, if the 883  
commissioner makes the determination, certify the determination 884  
to the auditor. Upon making the determination or receiving the 885  
commissioner's determination, the auditor shall correct the tax 886  
list and duplicate accordingly. If a tax certificate has been 887  
sold under section 5721.32 or 5721.33 of the Revised Code with 888  
respect to property for which an exemption has been requested, 889  
the tax commissioner or auditor shall also certify the findings 890  
to the county treasurer of the county in which the property is 891  
located. 892

(G) Applications and complaints, and documents of any kind 893  
related to applications and complaints, filed with the tax 894  
commissioner or county auditor under this section are public 895  
records within the meaning of section 149.43 of the Revised 896  
Code. 897

(H) If the commissioner or auditor determines that the use 898  
of property or other facts relevant to the taxability of 899  
property that is the subject of an application for exemption or 900  
a complaint under this section has changed while the application 901  
or complaint was pending, the commissioner or auditor may make 902  
the determination under division (F) of this section separately 903  
for each tax year beginning with the year in which the 904  
application or complaint was filed or the year for which 905  
remission of taxes under division (C) of section 5713.08 of the 906  
Revised Code was requested, and including each subsequent tax 907  
year during which the application or complaint is pending before 908  
the commissioner or auditor. 909

~~(I) If the tax commissioner grants an application filed by~~ 910  
~~a community school under this section for the exemption~~ 911

~~authorized under division (A) (1) of section 5709.07 of the Revised Code, any property that is the subject of that application shall be exempt from property tax for each succeeding tax year regardless of whether the community school files an application under this section with respect to such property. The community school, on or before the thirty first day of December of each such succeeding tax year, shall submit a statement to the commissioner attesting that the property that is the subject of that initial application qualifies for the exemption authorized under division (A) (1) of section 5709.07 of the Revised Code for that succeeding tax year. If the community school fails to file such a statement for a tax year or if the commissioner otherwise discovers that the property no longer qualifies for that exemption, the commissioner shall order the county auditor to return the property to the tax list.~~

**Sec. 5739.023.** (A) (1) For the purpose of providing additional general revenues for a transit authority, funding a regional transportation improvement project under section 5595.06 of the Revised Code, or funding public infrastructure projects as described in section 306.353 of the Revised Code, and to pay the expenses of administering such levy, any transit authority may levy a tax upon every retail sale made in the territory of the transit authority, except sales of watercraft and outboard motors required to be titled pursuant to Chapter 1548. of the Revised Code and sales of motor vehicles, and may increase the rate of an existing tax. The rate of any tax levied pursuant to this section shall be a multiple of one-twentieth of one per cent. The Except as otherwise provided in division (A) (3) of this section, the rate shall not exceed one and one-half per cent minus the amount by which the rate levied under section 5739.021 of the Revised Code by a county located in the



territory of the transit authority exceeds one per cent. The tax 943  
shall be levied and the rate increased pursuant to a resolution 944  
of the legislative authority of the transit authority and a 945  
certified copy of the resolution shall be delivered by the 946  
fiscal officer to the board of elections as provided in section 947  
3505.071 of the Revised Code and to the tax commissioner. The 948  
resolution shall specify the number of years for which the tax 949  
is to be in effect or that the tax is for a continuing period of 950  
time, the purpose or purposes of the levy, and the date of the 951  
election on the question of the tax pursuant to section 306.70 952  
of the Revised Code. The board of elections shall certify the 953  
results of the election to the transit authority and tax 954  
commissioner. 955

A resolution adopted under this section may not specify 956  
that the sole purpose of the tax is to fund infrastructure 957  
projects as described in section 306.353 of the Revised Code; 958  
that purpose must be combined with the purpose of providing 959  
additional general revenues for the transit authority, funding a 960  
regional transportation improvement project under section 961  
5595.06 of the Revised Code, or both. The resolution may specify 962  
the percentage of the proceeds of the tax that will be allocated 963  
among each of the purposes for which the tax is to be levied. If 964  
one of the purposes of the tax is to provide general revenue for 965  
the transit authority, the resolution may identify specific 966  
projects, functions, or other uses to which that general revenue 967  
will be allocated and the percentage of the tax proceeds to be 968  
allocated to each of those projects, functions, or other uses. 969

(2) Except as provided in division (C) of this section, 970  
the tax levied by the resolution shall become effective on the 971  
first day of a calendar quarter next following the sixty-fifth 972  
day following the date the tax commissioner receives from the 973

board of elections the certification of the results of the 974  
election on the question of the tax. 975

(3) For a regional transit authority that includes 976  
territory in a county that has a population greater than four 977  
hundred thousand but less than four hundred fifty thousand, the 978  
rate of the tax may not exceed three-tenths of one per cent, 979  
unless the legislative authority of each county that is a member 980  
of the regional transit authority and each municipal corporation 981  
and township with territory included in the regional transit 982  
authority adopts a resolution or ordinance approving the rate 983  
before the question of the tax is submitted to electors under 984  
section 306.70 of the Revised Code. 985

The board of trustees of such a regional transit authority 986  
shall not levy sales and use tax under this section and section 987  
5741.022 of the Revised Code on or before the last day of the 988  
last tax year the regional transit authority levies property tax 989  
under section 306.40 or 306.49 of the Revised Code. If the board 990  
of trustees of such regional transit authority issued any notes, 991  
bonds, or securities as authorized in those sections in 992  
anticipation of the collection of the property tax, the board 993  
shall appropriate from the first moneys received from the sales 994  
and use tax levy under this section and section 5741.022 of the 995  
Revised Code in each year the full amount required in order to 996  
pay the principal of and interest on any such notes, bonds, or 997  
securities. After the board begins to levy and collect sales and 998  
use tax under this section and section 5741.022 of the Revised 999  
Code, the board shall not thereafter levy and collect property 1000  
tax under section 306.40 or 306.49 of the Revised Code, even if 1001  
the tax is necessary to pay the principal of and interest on any 1002  
such notes, bonds, or securities, notwithstanding division (B) 1003  
of this section. 1004

(B) The legislative authority may, at any time while the tax is in effect, by resolution fix the rate of the tax at any rate authorized by this section and not in excess of that approved by the voters pursuant to section 306.70 of the Revised Code. Except as provided in division (A)(3) or (C) of this section, any change in the rate of the tax shall be made effective on the first day of a calendar quarter next following the sixty-fifth day following the date the tax commissioner receives the certification of the resolution; provided, that in any case where bonds, or notes in anticipation of bonds, of a regional transit authority have been issued under section 306.40 of the Revised Code without a vote of the electors while the tax proposed to be reduced was in effect, the board of trustees of the regional transit authority shall continue to levy and collect under authority of the original election authorizing the tax a rate of tax that the board of trustees reasonably estimates will produce an amount in that year equal to the amount of principal of and interest on those bonds as is payable in that year.

(C) Upon receipt from the board of elections of the certification of the results of the election required by division (A) of this section, or from the legislative authority of the certification of a resolution under division (B) of this section, the tax commissioner shall provide notice of a tax rate change in a manner that is reasonably accessible to all affected vendors. The commissioner shall provide this notice at least sixty days prior to the effective date of the rate change. The commissioner, by rule, may establish the method by which notice will be provided.

(D) If a vendor makes a sale in this state by printed catalog and the consumer computed the tax on the sale based on

local rates published in the catalog, any tax levied or rate 1036  
changed under this section shall not apply to such a sale until 1037  
the first day of a calendar quarter following the expiration of 1038  
one hundred twenty days from the date of notice by the tax 1039  
commissioner pursuant to division (C) of this section. 1040

(E) The tax on every retail sale subject to a tax levied 1041  
pursuant to this section is in addition to the tax levied by 1042  
section 5739.02 of the Revised Code and any tax levied pursuant 1043  
to section 5739.021 or 5739.026 of the Revised Code. 1044

(F) The additional tax levied by the transit authority 1045  
shall be collected pursuant to section 5739.025 of the Revised 1046  
Code. 1047

(G) Any tax levied pursuant to this section is subject to 1048  
the exemptions provided in section 5739.02 of the Revised Code 1049  
and in addition shall not be applicable to sales not within the 1050  
taxing power of a transit authority under the constitution of 1051  
the United States or the constitution of this state. 1052

(H) The rate of a tax levied under this section is subject 1053  
to reduction under section 5739.028 of the Revised Code, if a 1054  
ballot question is approved by voters pursuant to that section. 1055

**Sec. 5741.02.** (A) (1) For the use of the general revenue 1056  
fund of the state, an excise tax is hereby levied on the 1057  
storage, use, or other consumption in this state of tangible 1058  
personal property or the benefit realized in this state of any 1059  
service provided. The tax shall be collected as provided in 1060  
section 5739.025 of the Revised Code. The rate of the tax shall 1061  
be five and three-fourths per cent. 1062

(2) In the case of the lease or rental, with a fixed term 1063  
of more than thirty days or an indefinite term with a minimum 1064

period of more than thirty days, of any motor vehicles designed 1065  
by the manufacturer to carry a load of not more than one ton, 1066  
watercraft, outboard motor, or aircraft, or of any tangible 1067  
personal property, other than motor vehicles designed by the 1068  
manufacturer to carry a load of more than one ton, to be used by 1069  
the lessee or renter primarily for business purposes, the tax 1070  
shall be collected by the seller at the time the lease or rental 1071  
is consummated and shall be calculated by the seller on the 1072  
basis of the total amount to be paid by the lessee or renter 1073  
under the lease or rental agreement. If the total amount of the 1074  
consideration for the lease or rental includes amounts that are 1075  
not calculated at the time the lease or rental is executed, the 1076  
tax shall be calculated and collected by the seller at the time 1077  
such amounts are billed to the lessee or renter. In the case of 1078  
an open-end lease or rental, the tax shall be calculated by the 1079  
seller on the basis of the total amount to be paid during the 1080  
initial fixed term of the lease or rental, and for each 1081  
subsequent renewal period as it comes due. As used in this 1082  
division, "motor vehicle" has the same meaning as in section 1083  
4501.01 of the Revised Code, and "watercraft" includes an 1084  
outdrive unit attached to the watercraft. 1085

(3) Except as provided in division (A) (2) of this section, 1086  
in the case of a transaction, the price of which consists in 1087  
whole or part of the lease or rental of tangible personal 1088  
property, the tax shall be measured by the installments of those 1089  
leases or rentals. 1090

(B) Each consumer, storing, using, or otherwise consuming 1091  
in this state tangible personal property or realizing in this 1092  
state the benefit of any service provided, shall be liable for 1093  
the tax, and such liability shall not be extinguished until the 1094  
tax has been paid to this state; provided, that the consumer 1095

shall be relieved from further liability for the tax if the tax 1096  
has been paid to a seller in accordance with section 5741.04 of 1097  
the Revised Code or prepaid by the seller in accordance with 1098  
section 5741.06 of the Revised Code. 1099

(C) The tax does not apply to the storage, use, or 1100  
consumption in this state of the following described tangible 1101  
personal property or services, nor to the storage, use, or 1102  
consumption or benefit in this state of tangible personal 1103  
property or services purchased under the following described 1104  
circumstances: 1105

(1) When the sale of property or service in this state is 1106  
subject to the excise tax imposed by sections 5739.01 to 5739.31 1107  
of the Revised Code, provided said tax has been paid; 1108

(2) Except as provided in division (D) of this section, 1109  
tangible personal property or services, the acquisition of 1110  
which, if made in Ohio, would be a sale not subject to the tax 1111  
imposed by sections 5739.01 to 5739.31 of the Revised Code; 1112

(3) Property or services, the storage, use, or other 1113  
consumption of or benefit from which this state is prohibited 1114  
from taxing by the Constitution of the United States, laws of 1115  
the United States, or the Constitution of this state. This 1116  
exemption shall not exempt from the application of the tax 1117  
imposed by this section the storage, use, or consumption of 1118  
tangible personal property that was purchased in interstate 1119  
commerce, but that has come to rest in this state, provided that 1120  
fuel to be used or transported in carrying on interstate 1121  
commerce that is stopped within this state pending transfer from 1122  
one conveyance to another is exempt from the excise tax imposed 1123  
by this section and section 5739.02 of the Revised Code; 1124

(4) Transient use of tangible personal property in this 1125  
state by a nonresident tourist or vacationer, or a nonbusiness 1126  
use within this state by a nonresident of this state, if the 1127  
property so used was purchased outside this state for use 1128  
outside this state and is not required to be registered or 1129  
licensed under the laws of this state; 1130

(5) Tangible personal property or services rendered, upon 1131  
which taxes have been paid to another jurisdiction to the extent 1132  
of the amount of the tax paid to such other jurisdiction. Where 1133  
the amount of the tax imposed by this section and imposed 1134  
pursuant to section 5741.021, 5741.022, or 5741.023 of the 1135  
Revised Code exceeds the amount paid to another jurisdiction, 1136  
the difference shall be allocated between the tax imposed by 1137  
this section and any tax imposed by a county or a transit 1138  
authority pursuant to section 5741.021, 5741.022, or 5741.023 of 1139  
the Revised Code, in proportion to the respective rates of such 1140  
taxes. 1141

As used in this subdivision, "taxes paid to another 1142  
jurisdiction" means the total amount of retail sales or use tax 1143  
or similar tax based upon the sale, purchase, or use of tangible 1144  
personal property or services rendered legally, levied by and 1145  
paid to another state or political subdivision thereof, or to 1146  
the District of Columbia, where the payment of such tax does not 1147  
entitle the taxpayer to any refund or credit for such payment. 1148

(6) The transfer of a used manufactured home or used 1149  
mobile home, as defined by section 5739.0210 of the Revised 1150  
Code, made on or after January 1, 2000; 1151

(7) Drugs that are or are intended to be distributed free 1152  
of charge to a practitioner licensed to prescribe, dispense, and 1153  
administer drugs to a human being in the course of a 1154

professional practice and that by law may be dispensed only by 1155  
or upon the order of such a practitioner; 1156

(8) Computer equipment and related software leased from a 1157  
lessor located outside this state and initially received in this 1158  
state on behalf of the consumer by a third party that will 1159  
retain possession of such property for not more than ninety days 1160  
and that will, within that ninety-day period, deliver such 1161  
property to the consumer at a location outside this state. 1162  
Division (C) (8) of this section does not provide exemption from 1163  
taxation for any otherwise taxable charges associated with such 1164  
property while it is in this state or for any subsequent 1165  
storage, use, or consumption of such property in this state by 1166  
or on behalf of the consumer. 1167

(9) Tangible personal property held for sale by a person 1168  
but not for that person's own use and donated by that person, 1169  
without charge or other compensation, to either of the 1170  
following: 1171

(a) A nonprofit organization operated exclusively for 1172  
charitable purposes in this state, no part of the net income of 1173  
which inures to the benefit of any private shareholder or 1174  
individual and no substantial part of the activities of which 1175  
consists of carrying on propaganda or otherwise attempting to 1176  
influence legislation; or 1177

(b) This state or any political subdivision of this state, 1178  
but only if donated for exclusively public purposes. 1179

For the purposes of division (C) (9) of this section, 1180  
"charitable purposes" has the same meaning as in division (B) 1181  
(12) of section 5739.02 of the Revised Code. 1182

(10) Equipment stored, used, or otherwise consumed in this 1183



state by an out-of-state disaster business during a disaster 1184  
response period during which the business conducts disaster work 1185  
pursuant to a qualifying solicitation received by the business, 1186  
provided the equipment is removed from the state before the last 1187  
day of that period. All terms used in division (C)(10) of this 1188  
section have the same meanings as in section 5703.94 of the 1189  
Revised Code. 1190

(11) (a) Watercraft, if all of the following apply: 1191

(i) The watercraft is in this state only for storage and 1192  
maintenance purposes. 1193

(ii) The watercraft is not used or stored in this state 1194  
between the first day of May and the last day of September of 1195  
any year. 1196

(iii) The watercraft is not required to be registered in 1197  
this state under section 1547.54 of the Revised Code. 1198

(iv) The owner paid taxes to another jurisdiction on the 1199  
sale, use, or consumption of the watercraft or paid sales tax on 1200  
the watercraft under section 5739.027 of the Revised Code, 1201  
unless the watercraft is used and titled or registered in a 1202  
jurisdiction that does not impose a sales or use tax or similar 1203  
excise tax on the ownership or use of the watercraft. 1204

(b) As used in division (C)(11) of this section: 1205

(i) "Taxes paid to another jurisdiction" has the same 1206  
meaning as in division (C)(5) of this section. 1207

(ii) "Maintenance" means any act to preserve or improve 1208  
the condition or efficiency of a watercraft including cleaning 1209  
and repairing the watercraft and installing equipment, fixtures, 1210  
or technology in or on the watercraft. 1211

(c) Nothing in division (C) (11) of this section exempts 1212  
sales of storage of watercraft taxable under division (B) (9) of 1213  
section 5739.01 of the Revised Code or sales of repair or 1214  
installation of tangible personal property in or on the 1215  
watercraft taxable under division (B) (3) (a) or (b) of that 1216  
section. 1217

(D) The tax applies to the storage, use, or other 1218  
consumption in this state of tangible personal property or 1219  
services, the acquisition of which at the time of sale was 1220  
excepted under division (E) of section 5739.01 of the Revised 1221  
Code from the tax imposed by section 5739.02 of the Revised 1222  
Code, but which has subsequently been temporarily or permanently 1223  
stored, used, or otherwise consumed in a taxable manner. 1224

(E) (1) (a) If any transaction is claimed to be exempt under 1225  
division (E) of section 5739.01 of the Revised Code or under 1226  
section 5739.02 of the Revised Code, with the exception of 1227  
divisions (B) (1) to (11) or (28) of section 5739.02 of the 1228  
Revised Code, the consumer shall provide to the seller, and the 1229  
seller shall obtain from the consumer, a certificate specifying 1230  
the reason that the transaction is not subject to the tax. The 1231  
certificate shall be in such form, and shall be provided either 1232  
in a hard copy form or electronic form, as the tax commissioner 1233  
prescribes. 1234

(b) A seller that obtains a fully completed exemption 1235  
certificate from a consumer is relieved of liability for 1236  
collecting and remitting tax on any sale covered by that 1237  
certificate. If it is determined the exemption was improperly 1238  
claimed, the consumer shall be liable for any tax due on that 1239  
sale under this chapter. Relief under this division from 1240  
liability does not apply to any of the following: 1241

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| (i) A seller that fraudulently fails to collect tax;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1242                                                                 |
| (ii) A seller that solicits consumers to participate in<br>the unlawful claim of an exemption;                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1243<br>1244                                                         |
| (iii) A seller that accepts an exemption certificate from<br>a consumer that claims an exemption based on who purchases or<br>who sells property or a service, when the subject of the<br>transaction sought to be covered by the exemption certificate is<br>actually received by the consumer at a location operated by the<br>seller in this state, and this state has posted to its web site<br>an exemption certificate form that clearly and affirmatively<br>indicates that the claimed exemption is not available in this<br>state;   | 1245<br>1246<br>1247<br>1248<br>1249<br>1250<br>1251<br>1252<br>1253 |
| (iv) A seller that accepts an exemption certificate from a<br>consumer who claims a multiple points of use exemption under<br>division (D) of section 5739.033 of the Revised Code, if the<br>item purchased is tangible personal property, other than<br>prewritten computer software.                                                                                                                                                                                                                                                       | 1254<br>1255<br>1256<br>1257<br>1258                                 |
| (2) The seller shall maintain records, including exemption<br>certificates, of all sales on which a consumer has claimed an<br>exemption, and provide them to the tax commissioner on request.                                                                                                                                                                                                                                                                                                                                                | 1259<br>1260<br>1261                                                 |
| (3) If no certificate is provided or obtained within<br>ninety days after the date on which the transaction is<br>consummated, it shall be presumed that the tax applies. Failure<br>to have so provided or obtained a certificate shall not preclude<br>a seller, within one hundred twenty days after the tax<br>commissioner gives written notice of intent to levy an<br>assessment, from either establishing that the transaction is not<br>subject to the tax, or obtaining, in good faith, a fully<br>completed exemption certificate. | 1262<br>1263<br>1264<br>1265<br>1266<br>1267<br>1268<br>1269<br>1270 |

(4) If a transaction is claimed to be exempt under 1271  
division (B) (13) of section 5739.02 of the Revised Code, the 1272  
contractor shall obtain certification of the claimed exemption 1273  
from the contractee. This certification shall be in addition to 1274  
an exemption certificate provided by the contractor to the 1275  
seller. A contractee that provides a certification under this 1276  
division shall be deemed to be the consumer of all items 1277  
purchased by the contractor under the claim of exemption, if it 1278  
is subsequently determined that the exemption is not properly 1279  
claimed. The certification shall be in such form as the tax 1280  
commissioner prescribes. 1281

(F) A seller who files a petition for reassessment 1282  
contesting the assessment of tax on transactions for which the 1283  
seller obtained no valid exemption certificates, and for which 1284  
the seller failed to establish that the transactions were not 1285  
subject to the tax during the one-hundred-twenty-day period 1286  
allowed under division (E) of this section, may present to the 1287  
tax commissioner additional evidence to prove that the 1288  
transactions were exempt. The seller shall file such evidence 1289  
within ninety days of the receipt by the seller of the notice of 1290  
assessment, except that, upon application and for reasonable 1291  
cause, the tax commissioner may extend the period for submitting 1292  
such evidence thirty days. 1293

(G) For the purpose of the proper administration of 1294  
sections 5741.01 to 5741.22 of the Revised Code, and to prevent 1295  
the evasion of the tax hereby levied, it shall be presumed that 1296  
any use, storage, or other consumption of tangible personal 1297  
property in this state is subject to the tax until the contrary 1298  
is established. 1299

(H) The tax collected by the seller from the consumer 1300

under this chapter is not part of the price, but is a tax 1301  
collection for the benefit of the state, and of counties levying 1302  
an additional use tax pursuant to section 5741.021 or 5741.023 1303  
of the Revised Code and of transit authorities levying an 1304  
additional use tax pursuant to section 5741.022 of the Revised 1305  
Code. Except for the discount authorized under section 5741.12 1306  
of the Revised Code and the effects of any rounding pursuant to 1307  
section 5703.055 of the Revised Code, no person other than the 1308  
state or such a county or transit authority shall derive any 1309  
benefit from the collection of such tax. 1310

**Section 2.** That existing sections 306.322, 319.38, 323.08, 1311  
5703.21, 5709.09, 5709.17, 5713.08, 5715.27, 5739.023, and 1312  
5741.02 of the Revised Code are hereby repealed. 1313

**Section 3.** The amendment by this act of sections 323.08, 1314  
5713.08, and 5715.27 of the Revised Code applies to tax year 1315  
2022 and every tax year thereafter. 1316

The amendment by this act of section 5709.09 of the 1317  
Revised Code applies to tax years ending on or after the 1318  
effective date of this section. 1319

The amendment by this act of section 5709.17 of the 1320  
Revised Code applies to tax year 2021 and every tax year 1321  
thereafter. 1322

The amendment by this act of section 5741.02 of the 1323  
Revised Code applies beginning the first day of the first month 1324  
beginning on or after the effective date of this section. 1325

**Section 4.** Pursuant to division (G) of section 5703.95 of 1326  
the Revised Code, which states that any bill introduced in the 1327  
House of Representatives or the Senate that proposes to enact or 1328  
modify one or more tax expenditures should include a statement 1329

explaining the objectives of the tax expenditure or its 1330  
modification and the sponsor's intent in proposing the tax 1331  
expenditure or its modification: 1332

The objective of this act is to increase business to 1333  
Ohio's marine industry by removing a disincentive for out-of- 1334  
state boat owners from coming into Ohio with their business. 1335

Currently, subjecting boats to use taxes on the value of 1336  
the boat has resulted in out-of-state boats going elsewhere for 1337  
winter storage, repair, and refitting work. The charge for 1338  
winter storage notwithstanding, most winter work orders from 1339  
customers are estimated to range from fifteen thousand dollars 1340  
to one hundred thousand dollars. The loss of even one major job, 1341  
never mind several, could mean the success or failure of a 1342  
marine business. 1343

The state of Ohio also suffers significant losses. 1344  
Virtually everything related to winter storage and work is 1345  
subject to sales tax, including parts, materials, labor, and 1346  
storage. When a boat is not winter-stored in Ohio, there are not 1347  
only no related sales taxes collected, but also no commercial 1348  
activity taxes and no income taxes. 1349