

Am. Sub. H.B. 59
As Passed by the Senate

_____ moved to amend as follows:

- In line 689, after "317.36," insert "319.302," 1
- In line 690, after "321.44," insert "323.151, 323.152,
323.153," 2
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- In line 782, after "4503.03," insert "4503.064, 4503.065,
4503.066," 4
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- In line 889, after "5739.09," insert "5739.10,"; after 6
"5739.13," insert "5739.212,"; after "5741.01," insert "5741.02,"; 7
after "5741.17," insert "5743.01," 8
- In line 890, after "5743.15," insert "5743.51,"; after 9
"5743.56," insert "5743.62, 5743.63,"; delete "5747.022," 10
- In line 893, after "5751.02," insert "5751.03," 11
- In line 894, after "5751.07," insert "5751.08," 12
- In line 1102, after "5741.032," insert "5747.71," 13
- Between lines 24269 and 24270, insert: 14
- "**Sec. 319.302.** (A)(1) Real property that is not intended 15
primarily for use in a business activity shall qualify for a 16
partial exemption from real property taxation. For purposes of 17
this partial exemption, "business activity" includes all uses of 18
real property, except farming; leasing property for farming; 19

occupying or holding property improved with single-family, 20
two-family, or three-family dwellings; leasing property improved 21
with single-family, two-family, or three-family dwellings; or 22
holding vacant land that the county auditor determines will be 23
used for farming or to develop single-family, two-family, or 24
three-family dwellings. For purposes of this partial exemption, 25
"farming" does not include land used for the commercial production 26
of timber that is receiving the tax benefit under section 5713.23 27
or 5713.31 of the Revised Code and all improvements connected with 28
such commercial production of timber. 29

(2) Each year, the county auditor shall review each parcel of 30
real property to determine whether it qualifies for the partial 31
exemption provided for by this section as of the first day of 32
January of the current tax year. 33

(B) After complying with section 319.301 of the Revised Code, 34
the county auditor shall reduce the remaining sums to be levied by 35
qualifying levies against each parcel of real property that is 36
listed on the general tax list and duplicate of real and public 37
utility property for the current tax year and that qualifies for 38
partial exemption under division (A) of this section, and against 39
each manufactured and mobile home that is taxed pursuant to 40
division (D)(2) of section 4503.06 of the Revised Code and that is 41
on the manufactured home tax list for the current tax year, by ten 42
per cent, to provide a partial exemption for that parcel or home. 43
Except For the purposes of this division, a "qualifying levy" 44
means a levy that was in effect for tax year 2013, a subsequent 45
renewal of such a levy, or a subsequent substitute for such a levy 46
under section 5705.199 of the Revised Code; "qualifying levy" 47
excludes a replacement, imposed under section 5705.192 of the 48
Revised Code, of any levy that was in effect for tax year 2013, 49
and excludes any additional levy that was not in effect for tax 50

year 2013. 51

Except as otherwise provided in sections 323.152, 323.158, 52
 505.06, and 715.263 of the Revised Code, the amount of the taxes 53
 remaining after any such reduction shall be the real and public 54
 utility property taxes charged and payable on each parcel of real 55
 property, including property that does not qualify for partial 56
 exemption under division (A) of this section, and the manufactured 57
 home tax charged and payable on each manufactured or mobile home, 58
 and shall be the amounts certified to the county treasurer for 59
 collection. Upon receipt of the real and public utility property 60
 tax duplicate, the treasurer shall certify to the tax commissioner 61
 the total amount by which the real property taxes were reduced 62
 under this section, as shown on the duplicate. Such reduction 63
 shall not directly or indirectly affect the determination of the 64
 principal amount of notes that may be issued in anticipation of 65
 any tax levies or the amount of bonds or notes for any planned 66
 improvements. If after application of sections 5705.31 and 5705.32 67
 of the Revised Code and other applicable provisions of law, 68
 including divisions (F) and (I) of section 321.24 of the Revised 69
 Code, there would be insufficient funds for payment of debt 70
 charges on bonds or notes payable from taxes reduced by this 71
 section, the reduction of taxes provided for in this section shall 72
 be adjusted to the extent necessary to provide funds from such 73
 taxes. 74

(C) The tax commissioner may adopt rules governing the 75
 administration of the partial exemption provided for by this 76
 section. 77

(D) The determination of whether property qualifies for 78
 partial exemption under division (A) of this section is solely for 79
 the purpose of allowing the partial exemption under division (B) 80
 of this section." 81

Between lines 24388 and 24389, insert: 82

"Sec. 323.151. As used in sections 323.151 to 323.159 of the 83
Revised Code: 84

(A)(1) "Homestead" means either of the following: 85

(a) A dwelling, including a unit in a multiple-unit dwelling 86
and a manufactured home or mobile home taxed as real property 87
pursuant to division (B) of section 4503.06 of the Revised Code, 88
owned and occupied as a home by an individual whose domicile is in 89
this state and who has not acquired ownership from a person, other 90
than the individual's spouse, related by consanguinity or affinity 91
for the purpose of qualifying for the real property tax reduction 92
provided in section 323.152 of the Revised Code. 93

(b) A unit in a housing cooperative that is occupied as a 94
home, but not owned, by an individual whose domicile is in this 95
state. 96

(2) The homestead shall include so much of the land 97
surrounding it, not exceeding one acre, as is reasonably necessary 98
for the use of the dwelling or unit as a home. An owner includes a 99
holder of one of the several estates in fee, a vendee in 100
possession under a purchase agreement or a land contract, a 101
mortgagor, a life tenant, one or more tenants with a right of 102
survivorship, tenants in common, and a settlor of a revocable or 103
irrevocable inter vivos trust holding the title to a homestead 104
occupied by the settlor as of right under the trust. The tax 105
commissioner shall adopt rules for the uniform classification and 106
valuation of real property or portions of real property as 107
homesteads. 108

(B) "Sixty-five years of age or older" means a person who has 109
attained age sixty-four prior to the first day of January of the 110

year of application for reduction in real estate taxes. 111

(C) "Total income" means the adjusted gross income of the 112
owner and the owner's spouse for the year preceding the year in 113
which application for a reduction in taxes is made, as determined 114
under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 115
U.S.C.A. 1, as amended, adjusted as follows: 116

(1) Subtract the amount of disability benefits included in 117
adjusted gross income, but not to exceed fifty-two hundred 118
dollars; 119

(2) Add old age and survivors benefits received pursuant to 120
the "Social Security Act" that are not included in adjusted gross 121
income; 122

(3) Add retirement, pension, annuity, or other retirement 123
payments or benefits not included in adjusted gross income; 124

(4) Add tier I and tier II railroad retirement benefits 125
received pursuant to the "Railroad Retirement Act," 50 Stat. 307, 126
45 U.S.C.A. 228; 127

(5) Add interest on federal, state, and local government 128
obligations; 129

(6) For a person who received the homestead exemption for a 130
prior year on the basis of being permanently and totally disabled 131
and whose current application for the exemption is made on the 132
basis of age, subtract the following amount: 133

(a) If the person received disability benefits that were not 134
included in adjusted gross income in the year preceding the first 135
year in which the person applied for the exemption on the basis of 136
age, subtract an amount equal to the disability benefits the 137
person received in that preceding year, to the extent included in 138
total income in the current year and not subtracted under division 139

(C)(1) of this section in the current year;

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(b) If the person received disability benefits that were included in adjusted gross income in the year preceding the first year in which the person applied for the exemption on the basis of age, subtract an amount equal to the amount of disability benefits that were subtracted pursuant to division (C)(1) of this section in that preceding year, to the extent included in total income in the current year and not subtracted under division (C)(1) of this section in the current year.

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Disability benefits that are paid by the department of veterans affairs or a branch of the armed forces of the United States on account of an injury or disability shall not be included in total income.

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(D) "Old age and survivors benefits received pursuant to the 'Social Security Act'" or "tier I railroad retirement benefits received pursuant to the 'Railroad Retirement Act'" means:

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(1) Old age benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year prior to the year for which the homestead exemption is first received, or, if no such benefits are payable that year, old age benefits payable the first succeeding year in which old age benefits under the social security or railroad retirement laws are payable, except in those cases where a change in social security or railroad retirement benefits results in a reduction in income.

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(2) The lesser of:

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(a) Survivors benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year prior to the year for which the homestead exemption is first received, or, if no such benefits are payable that year, survivors

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benefits payable the first succeeding year in which survivors 169
benefits are payable; or 170

(b) Old age benefits of the deceased spouse, as determined 171
under division (D)(1) of this section, upon which the surviving 172
spouse's survivors benefits are based under the social security or 173
railroad retirement laws, except in those cases where a change in 174
benefits would cause a reduction in income. 175

Survivors benefits are those described in division (D)(2)(b) 176
of this section only if the deceased spouse received old age 177
benefits in the year in which the deceased spouse died. If the 178
deceased spouse did not receive old age benefits in the year in 179
which the deceased spouse died, then survivors benefits are those 180
described in division (D)(2)(a) of this section. 181

(E) "Permanently and totally disabled" means a person who 182
has, on the first day of January of the year of application for 183
reduction in real estate taxes, some impairment in body or mind 184
that makes the person unable to work at any substantially 185
remunerative employment that the person is reasonably able to 186
perform and that will, with reasonable probability, continue for 187
an indefinite period of at least twelve months without any present 188
indication of recovery therefrom or has been certified as 189
permanently and totally disabled by a state or federal agency 190
having the function of so classifying persons. 191

~~(D)~~(F) "Housing cooperative" means a housing complex of at 192
least two units that is owned and operated by a nonprofit 193
corporation that issues a share of the corporation's stock to an 194
individual, entitling the individual to live in a unit of the 195
complex, and collects a monthly maintenance fee from the 196
individual to maintain, operate, and pay the taxes of the complex. 197

Sec. 323.152. In addition to the reduction in taxes required 198
under section 319.302 of the Revised Code, taxes shall be reduced 199
as provided in divisions (A) and (B) of this section. 200

(A)(1) Division (A) of this section applies to any of the 201
following persons: 202

(a) A person who is permanently and totally disabled; 203

(b) A person who is sixty-five years of age or older; 204

(c) A person who is the surviving spouse of a deceased person 205
who was permanently and totally disabled or sixty-five years of 206
age or older and who applied and qualified for a reduction in 207
taxes under this division in the year of death, provided the 208
surviving spouse is at least fifty-nine but not sixty-five or more 209
years of age on the date the deceased spouse dies. 210

(2) Real property taxes on a homestead owned and occupied, or 211
a homestead in a housing cooperative occupied, by a person to whom 212
division (A) of this section applies shall be reduced for each 213
year for which an application for the reduction has been approved. 214
The reduction shall equal ~~the greater of the reduction granted for~~ 215
~~the tax year preceding the first tax year to which this section~~ 216
~~applies pursuant to Section 803.06 of Am. Sub. H.B. 119 of the~~ 217
~~127th general assembly, if the taxpayer received a reduction for~~ 218
~~that preceding tax year, or one of the following amounts, as~~ 219
applicable to the person: 220

(a) If the person received a reduction under division (A) of 221
this section for tax year 2006, the greater of the reduction for 222
that tax year or the amount computed under division (A)(3) of this 223
section; 224

(b) If the person received a reduction under division (A) of 225

<u>this section for tax year 2013, the amount computed under division</u>	226
<u>(A)(3) of this section;</u>	227
<u>(c) If the person did not receive a reduction under division</u>	228
<u>(A) of this section for tax year 2013 and the person's total</u>	229
<u>income does not exceed thirty thousand dollars, as adjusted under</u>	230
<u>division (A)(4) of this section, the amount computed under</u>	231
<u>division (A)(3) of this section.</u>	232
<u>(3) The amount of the reduction under division (A)(3) of this</u>	233
<u>section equals the product of the following:</u>	234
(a) Twenty-five thousand dollars of the true value of the	235
property in money;	236
(b) The assessment percentage established by the tax	237
commissioner under division (B) of section 5715.01 of the Revised	238
Code, not to exceed thirty-five per cent;	239
(c) The effective tax rate used to calculate the taxes	240
charged against the property for the current year, where	241
"effective tax rate" is defined as in section 323.08 of the	242
Revised Code;	243
(d) The quantity equal to one minus the sum of the percentage	244
reductions in taxes received by the property for the current tax	245
year under section 319.302 of the Revised Code and division (B) of	246
section 323.152 of the Revised Code.	247
<u>(4) Each calendar year, the tax commissioner shall adjust the</u>	248
<u>total income threshold described in division (A)(2)(c) of this</u>	249
<u>section by completing the following calculations in September of</u>	250
<u>each year:</u>	251
<u>(a) Determine the percentage increase in the gross domestic</u>	252
<u>product deflator determined by the bureau of economic analysis of</u>	253
<u>the United States department of commerce from the first day of</u>	254

<u>January of the preceding calendar year to the last day of December</u>	255
<u>of the preceding calendar year;</u>	256
<u>(b) Multiply that percentage increase by the total income</u>	257
<u>threshold for the current tax year;</u>	258
<u>(c) Add the resulting product to the total income threshold</u>	259
<u>for the current tax year;</u>	260
<u>(d) Round the resulting sum to the nearest multiple of one</u>	261
<u>hundred dollars.</u>	262
<u>The commissioner shall certify the amount resulting from the</u>	263
<u>adjustment to each county auditor not later than the first day of</u>	264
<u>December each year. The certified amount applies to the following</u>	265
<u>tax year for persons described in division (A)(2)(c) of this</u>	266
<u>section. The commissioner shall not make the adjustment in any</u>	267
<u>calendar year in which the amount resulting from the adjustment</u>	268
<u>would be less than the total income threshold for the current tax</u>	269
<u>year.</u>	270
<u>(B) To provide a partial exemption, real property taxes on</u>	271
<u>any homestead, and manufactured home taxes on any manufactured or</u>	272
<u>mobile home on which a manufactured home tax is assessed pursuant</u>	273
<u>to division (D)(2) of section 4503.06 of the Revised Code, shall</u>	274
<u>be reduced for each year for which an application for the</u>	275
<u>reduction has been approved. The amount of the reduction shall</u>	276
<u>equal two and one-half per cent of the amount of taxes to be</u>	277
<u>levied by <u>qualifying levies</u> on the homestead or the manufactured</u>	278
<u>or mobile home after applying section 319.301 of the Revised Code.</u>	279
<u>For the purposes of this division, a "qualifying levy" means a</u>	280
<u>levy that was in effect for tax year 2013, a subsequent renewal of</u>	281
<u>such a levy, or a subsequent substitute for such a levy under</u>	282
<u>section 5705.199 of the Revised Code; "qualifying levy" excludes a</u>	283
<u>replacement, imposed under section 5705.192 of the Revised Code,</u>	284

of any levy that was in effect for tax year 2013, and excludes any 285
additional levy that was not in effect for tax year 2013. 286

(C) The reductions granted by this section do not apply to 287
 special assessments or respread of assessments levied against the 288
 homestead, and if there is a transfer of ownership subsequent to 289
 the filing of an application for a reduction in taxes, such 290
 reductions are not forfeited for such year by virtue of such 291
 transfer. 292

(D) The reductions in taxable value referred to in this 293
 section shall be applied solely as a factor for the purpose of 294
 computing the reduction of taxes under this section and shall not 295
 affect the total value of property in any subdivision or taxing 296
 district as listed and assessed for taxation on the tax lists and 297
 duplicates, or any direct or indirect limitations on indebtedness 298
 of a subdivision or taxing district. If after application of 299
 sections 5705.31 and 5705.32 of the Revised Code, including the 300
 allocation of all levies within the ten-mill limitation to debt 301
 charges to the extent therein provided, there would be 302
 insufficient funds for payment of debt charges not provided for by 303
 levies in excess of the ten-mill limitation, the reduction of 304
 taxes provided for in sections 323.151 to 323.159 of the Revised 305
 Code shall be proportionately adjusted to the extent necessary to 306
 provide such funds from levies within the ten-mill limitation. 307

(E) No reduction shall be made on the taxes due on the 308
 homestead of any person convicted of violating division (D) or (E) 309
 of section 323.153 of the Revised Code for a period of three years 310
 following the conviction. 311

Sec. 323.153. (A) To obtain a reduction in real property 312
 taxes under division (A) or (B) of section 323.152 of the Revised 313
 Code or in manufactured home taxes under division (B) of section 314

323.152 of the Revised Code, the owner shall file an application 315
with the county auditor of the county in which the owner's 316
homestead is located. 317

To obtain a reduction in real property taxes under division 318
(A) of section 323.152 of the Revised Code, the occupant of a 319
homestead in a housing cooperative shall file an application with 320
the nonprofit corporation that owns and operates the housing 321
cooperative, in accordance with this paragraph. Not later than the 322
first day of March each year, the corporation shall obtain 323
applications from the county auditor's office and provide one to 324
each new occupant. Not later than the first day of May, any 325
occupant who may be eligible for a reduction in taxes under 326
division (A) of section 323.152 of the Revised Code shall submit 327
the completed application to the corporation. Not later than the 328
fifteenth day of May, the corporation shall file all completed 329
applications, and the information required by division (B) of 330
section 323.159 of the Revised Code, with the county auditor of 331
the county in which the occupants' homesteads are located. 332
Continuing applications shall be furnished to an occupant in the 333
manner provided in division (C)(4) of this section. 334

(1) An application for reduction based upon a physical 335
disability shall be accompanied by a certificate signed by a 336
physician, and an application for reduction based upon a mental 337
disability shall be accompanied by a certificate signed by a 338
physician or psychologist licensed to practice in this state, 339
attesting to the fact that the applicant is permanently and 340
totally disabled. The certificate shall be in a form that the tax 341
commissioner requires and shall include the definition of 342
permanently and totally disabled as set forth in section 323.151 343
of the Revised Code. An application for reduction based upon a 344
disability certified as permanent and total by a state or federal 345

agency having the function of so classifying persons shall be 346
accompanied by a certificate from that agency. 347

An application for a reduction under division (A) of section 348
323.152 of the Revised Code constitutes a continuing application 349
for a reduction in taxes for each year in which the dwelling is 350
the applicant's homestead. 351

(2) An application for a reduction in taxes under division 352
(B) of section 323.152 of the Revised Code shall be filed only if 353
the homestead or manufactured or mobile home was transferred in 354
the preceding year or did not qualify for and receive the 355
reduction in taxes under that division for the preceding tax year. 356
The application for homesteads transferred in the preceding year 357
shall be incorporated into any form used by the county auditor to 358
administer the tax law in respect to the conveyance of real 359
property pursuant to section 319.20 of the Revised Code or of used 360
manufactured homes or used mobile homes as defined in section 361
5739.0210 of the Revised Code. The owner of a manufactured or 362
mobile home who has elected under division (D)(4) of section 363
4503.06 of the Revised Code to be taxed under division (D)(2) of 364
that section for the ensuing year may file the application at the 365
time of making that election. The application shall contain a 366
statement that failure by the applicant to affirm on the 367
application that the dwelling on the property conveyed is the 368
applicant's homestead prohibits the owner from receiving the 369
reduction in taxes until a proper application is filed within the 370
period prescribed by division (A)(3) of this section. Such an 371
application constitutes a continuing application for a reduction 372
in taxes for each year in which the dwelling is the applicant's 373
homestead. 374

(3) Failure to receive a new application filed under division 375

(A)(1) or (2) or notification under division (C) of this section 376
after an application for reduction has been approved is 377
prima-facie evidence that the original applicant is entitled to 378
the reduction in taxes calculated on the basis of the information 379
contained in the original application. The original application 380
and any subsequent application, including any late application, 381
shall be in the form of a signed statement and shall be filed 382
after the first Monday in January and not later than the first 383
Monday in June. The original application and any subsequent 384
application for a reduction in real property taxes shall be filed 385
in the year for which the reduction is sought. The original 386
application and any subsequent application for a reduction in 387
manufactured home taxes shall be filed in the year preceding the 388
year for which the reduction is sought. The statement shall be on 389
a form, devised and supplied by the tax commissioner, which shall 390
require no more information than is necessary to establish the 391
applicant's eligibility for the reduction in taxes and the amount 392
of the reduction, and, except for homesteads that are units in a 393
housing cooperative, shall include an affirmation by the applicant 394
that ownership of the homestead was not acquired from a person, 395
other than the applicant's spouse, related to the owner by 396
consanguinity or affinity for the purpose of qualifying for the 397
real property or manufactured home tax reduction provided for in 398
division (A) or (B) of section 323.152 of the Revised Code. The 399
form shall contain a statement that conviction of willfully 400
falsifying information to obtain a reduction in taxes or failing 401
to comply with division (C) of this section results in the 402
revocation of the right to the reduction for a period of three 403
years. In the case of an application for a reduction in taxes for 404
persons described in division (A)(2)(c) of section 323.152 of the 405
Revised Code, the form shall contain a statement that signing the 406

application constitutes a delegation of authority by the applicant 407
to the county auditor to examine any financial records relating to 408
income earned by the applicant as stated on the application for 409
the purpose of determining a possible violation of division (D) or 410
(E) of this section. 411

(B) A late application for a tax reduction for the year 412
preceding the year in which an original application is filed, or 413
for a reduction in manufactured home taxes for the year in which 414
an original application is filed, may be filed with the original 415
application. If the county auditor determines the information 416
contained in the late application is correct, the auditor shall 417
determine the amount of the reduction in taxes to which the 418
applicant would have been entitled for the preceding tax year had 419
the applicant's application been timely filed and approved in that 420
year. 421

The amount of such reduction shall be treated by the auditor 422
as an overpayment of taxes by the applicant and shall be refunded 423
in the manner prescribed in section 5715.22 of the Revised Code 424
for making refunds of overpayments. On the first day of July of 425
each year, the county auditor shall certify the total amount of 426
the reductions in taxes made in the current year under this 427
division to the tax commissioner, who shall treat the full amount 428
thereof as a reduction in taxes for the preceding tax year and 429
shall make reimbursement to the county therefor in the manner 430
prescribed by section 323.156 of the Revised Code, from money 431
appropriated for that purpose. 432

(C)(1) If, in any year after an application has been filed 433
under division (A)(1) or (2) of this section, the owner does not 434
qualify for a reduction in taxes on the homestead or on the 435
manufactured or mobile home set forth on such application, the 436
owner shall notify the county auditor that the owner is not 437

qualified for a reduction in taxes. 438

(2) If, in any year after an application has been filed under 439
division (A)(1) of this section, the occupant of a homestead in a 440
housing cooperative does not qualify for a reduction in taxes on 441
the homestead, the occupant shall notify the county auditor that 442
the occupant is not qualified for a reduction in taxes or file a 443
new application under division (A)(1) of this section. 444

(3) If the county auditor or county treasurer discovers that 445
the owner of property not entitled to the reduction in taxes under 446
division (B) of section 323.152 of the Revised Code failed to 447
notify the county auditor as required by division (C)(1) of this 448
section, a charge shall be imposed against the property in the 449
amount by which taxes were reduced under that division for each 450
tax year the county auditor ascertains that the property was not 451
entitled to the reduction and was owned by the current owner. 452
Interest shall accrue in the manner prescribed by division (B) of 453
section 323.121 or division (G)(2) of section 4503.06 of the 454
Revised Code on the amount by which taxes were reduced for each 455
such tax year as if the reduction became delinquent taxes at the 456
close of the last day the second installment of taxes for that tax 457
year could be paid without penalty. The county auditor shall 458
notify the owner, by ordinary mail, of the charge, of the owner's 459
right to appeal the charge, and of the manner in which the owner 460
may appeal. The owner may appeal the imposition of the charge and 461
interest by filing an appeal with the county board of revision not 462
later than the last day prescribed for payment of real and public 463
utility property taxes under section 323.12 of the Revised Code 464
following receipt of the notice and occurring at least ninety days 465
after receipt of the notice. The appeal shall be treated in the 466
same manner as a complaint relating to the valuation or assessment 467
of real property under Chapter 5715. of the Revised Code. The 468

charge and any interest shall be collected as other delinquent 469
taxes. 470

(4) Each year during January, the county auditor shall 471
furnish by ordinary mail a continuing application to each person 472
receiving a reduction under division (A) of section 323.152 of the 473
Revised Code. The continuing application shall be used to report 474
changes in total income, ownership, occupancy, disability, and 475
other information earlier furnished the auditor relative to the 476
reduction in taxes on the property. The continuing application 477
shall be returned to the auditor not later than the first Monday 478
in June; provided, that if such changes do not affect the status 479
of the homestead exemption or the amount of the reduction to which 480
the owner is entitled under division (A) of section 323.152 of the 481
Revised Code or to which the occupant is entitled under section 482
323.159 of the Revised Code, the application does not need to be 483
returned. 484

(5) Each year during February, the county auditor, except as 485
otherwise provided in this paragraph, shall furnish by ordinary 486
mail an original application to the owner, as of the first day of 487
January of that year, of a homestead or a manufactured or mobile 488
home that transferred during the preceding calendar year and that 489
qualified for and received a reduction in taxes under division (B) 490
of section 323.152 of the Revised Code for the preceding tax year. 491
In order to receive the reduction under that division, the owner 492
shall file the application with the county auditor not later than 493
the first Monday in June. If the application is not timely filed, 494
the auditor shall not grant a reduction in taxes for the homestead 495
for the current year, and shall notify the owner that the 496
reduction in taxes has not been granted, in the same manner 497
prescribed under section 323.154 of the Revised Code for 498
notification of denial of an application. Failure of an owner to 499

receive an application does not excuse the failure of the owner to 500
 file an original application. The county auditor is not required 501
 to furnish an application under this paragraph for any homestead 502
 for which application has previously been made on a form 503
 incorporated into any form used by the county auditor to 504
 administer the tax law in respect to the conveyance of real 505
 property or of used manufactured homes or used mobile homes, and 506
 an owner who previously has applied on such a form is not required 507
 to return an application furnished under this paragraph. 508

(D) No person shall knowingly make a false statement for the 509
 purpose of obtaining a reduction in the person's real property or 510
 manufactured home taxes under section 323.152 of the Revised Code. 511

(E) No person shall knowingly fail to notify the county 512
 auditor of changes required by division (C) of this section that 513
 have the effect of maintaining or securing a reduction in taxes 514
 under section 323.152 of the Revised Code. 515

(F) No person shall knowingly make a false statement or 516
 certification attesting to any person's physical or mental 517
 condition for purposes of qualifying such person for tax relief 518
 pursuant to sections 323.151 to 323.159 of the Revised Code." 519

Between lines 87541 and 87542, insert: 520

"**Sec. 4503.064.** As used in sections 4503.064 to 4503.069 of 521
 the Revised Code: 522

(A) "Sixty-five years of age or older" means a person who 523
 will be age sixty-five or older in the calendar year following the 524
 year of application for reduction in the assessable value of the 525
 person's manufactured or mobile home. 526

(B) "Permanently and totally disabled" means a person who, on 527

the first day of January of the year of application, including 528
late application, for reduction in the assessable value of a 529
manufactured or mobile home, has some impairment in body or mind 530
that makes the person unable to work at any substantially 531
remunerative employment which the person is reasonably able to 532
perform and which will, with reasonable probability, continue for 533
an indefinite period of at least twelve months without any present 534
indication of recovery therefrom or has been certified as 535
permanently and totally disabled by a state or federal agency 536
having the function of so classifying persons. 537

(C) "Homestead exemption" means the reduction in taxes 538
allowed under division (A) of section 323.152 of the Revised Code 539
for the year in which an application is filed under section 540
4503.066 of the Revised Code. 541

(D) "Manufactured home" has the meaning given in division 542
(C)(4) of section 3781.06 of the Revised Code, and includes a 543
structure consisting of two manufactured homes that were purchased 544
either together or separately and are combined to form a single 545
dwelling, but does not include a manufactured home that is taxed 546
as real property pursuant to division (B) of section 4503.06 of 547
the Revised Code. 548

(E) "Mobile home" has the meaning given in division (O) of 549
section 4501.01 of the Revised Code and includes a structure 550
consisting of two mobile homes that were purchased together or 551
separately and combined to form a single dwelling, but does not 552
include a mobile home that is taxed as real property pursuant to 553
division (B) of section 4503.06 of the Revised Code. 554

(F) "Late application" means an application filed with an 555
original application under division (A)(3) of section 4503.066 of 556
the Revised Code. 557

(G) "Total income" has the same meaning as in section 323.151 558
of the Revised Code. 559

Sec. 4503.065. (A) This section applies to any of the 560
 following persons: 561

(1) An individual who is permanently and totally disabled; 562

(2) An individual who is sixty-five years of age or older; 563

(3) An individual who is the surviving spouse of a deceased 564
 person who was permanently and totally disabled or sixty-five 565
 years of age or older and who applied and qualified for a 566
 reduction in assessable value under this section in the year of 567
 death, provided the surviving spouse is at least fifty-nine but 568
 not sixty-five or more years of age on the date the deceased 569
 spouse dies. 570

(B) The manufactured home tax on a manufactured or mobile 571
 home that is paid pursuant to division (C) of section 4503.06 of 572
 the Revised Code and that is owned and occupied as a home by an 573
 individual whose domicile is in this state and to whom this 574
 section applies, shall be reduced for any tax year for which an 575
 application for such reduction has been approved, provided the 576
 individual did not acquire ownership from a person, other than the 577
 individual's spouse, related by consanguinity or affinity for the 578
 purpose of qualifying for the reduction. An owner includes a 579
 settlor of a revocable or irrevocable inter vivos trust holding 580
 the title to a manufactured or mobile home occupied by the settlor 581
 as of right under the trust. 582

(1) For manufactured and mobile homes for which the tax 583
 imposed by section 4503.06 of the Revised Code is computed under 584
 division (D)(2) of that section, the reduction shall equal ~~the~~ 585
~~greater of the reduction granted for the tax year preceding the~~ 586

~~first tax year to which this section applies pursuant to Section 587
803.06 of Am. Sub. H.B. 119 of the 127th general assembly, if the 588
taxpayer received a reduction for that preceding tax year, or one 589
of the following amounts, as applicable to the person: 590~~

~~(a) If the person received a reduction under this section for 591
tax year 2007, the greater of the reduction for that tax year or 592
the amount computed under division (B)(2) of this section; 593~~

~~(b) If the person received a reduction under division (B)(1) 594
of this section for tax year 2014, the amount computed under 595
division (B)(2) of this section; 596~~

~~(c) If the person did not receive a reduction under division 597
(B)(1) of this section for tax year 2013 and the person's total 598
income does not exceed thirty thousand dollars, as adjusted under 599
division (B)(5) of this section, the amount computed under 600
division (B)(2) of this section. 601~~

~~(2) The amount of the reduction under division (B)(2) of this 602
section equals the product of the following: 603~~

~~(a) Twenty-five thousand dollars of the true value of the 604
property in money; 605~~

~~(b) The assessment percentage established by the tax 606
commissioner under division (B) of section 5715.01 of the Revised 607
Code, not to exceed thirty-five per cent; 608~~

~~(c) The effective tax rate used to calculate the taxes 609
charged against the property for the current year, where 610
"effective tax rate" is defined as in section 323.08 of the 611
Revised Code; 612~~

~~(d) The quantity equal to one minus the sum of the percentage 613
reductions in taxes received by the property for the current tax 614
year under section 319.302 of the Revised Code and division (B) of 615~~

section 323.152 of the Revised Code. 616

~~(2)(3)~~ For manufactured and mobile homes for which the tax 617
imposed by section 4503.06 of the Revised Code is computed under 618
division (D)(1) of that section, the reduction shall equal ~~the~~ 619
~~greater of the reduction granted for the tax year preceding the~~ 620
~~first tax year to which this section applies pursuant to Section~~ 621
~~803.06 of Am. Sub. H.B. 119 of the 127th general assembly, if the~~ 622
~~taxpayer received a reduction for that preceding tax year, or one~~ 623
of the following amounts, as applicable to the person: 624

(a) If the person received a reduction under this section for 625
tax year 2007, the greater of the reduction for that tax year or 626
the amount computed under division (B)(4) of this section; 627

(b) If the person received a reduction under division (B)(2) 628
of this section for tax year 2014, the amount computed under 629
division (B)(4) of this section; 630

(c) If the person did not receive a reduction under division 631
(B)(2) of this section for tax year 2013 and the person's total 632
income does not exceed thirty thousand dollars, as adjusted under 633
division (B)(5) of this section, the amount computed under 634
division (B)(4) of this section. 635

(4) The amount of the reduction under division (B)(4) of this 636
section equals the product of the following: 637

(a) Twenty-five thousand dollars of the cost to the owner, or 638
the market value at the time of purchase, whichever is greater, as 639
those terms are used in division (D)(1) of section 4503.06 of the 640
Revised Code; 641

(b) The percentage from the appropriate schedule in division 642
(D)(1)(b) of section 4503.06 of the Revised Code; 643

(c) The assessment percentage of forty per cent used in 644

division (D)(1)(b) of section 4503.06 of the Revised Code;

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(d) The tax rate of the taxing district in which the home has its situs.

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(5) Each calendar year, the tax commissioner shall adjust the income threshold described in divisions (B)(1)(c) and (B)(3)(c) of this section by completing the following calculations in September of each year:

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(a) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;

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(b) Multiply that percentage increase by the total income threshold for the ensuing tax year;

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(c) Add the resulting product to the total income threshold for the ensuing tax year;

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(d) Round the resulting sum to the nearest multiple of one hundred dollars.

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The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the second ensuing tax year. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income threshold for the ensuing tax year.

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(C) If the owner or the spouse of the owner of a manufactured or mobile home is eligible for a homestead exemption on the land upon which the home is located, the reduction to which the owner or spouse is entitled under this section shall not exceed the

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difference between the reduction to which the owner or spouse is
entitled under division (B) of this section and the amount of the
reduction under the homestead exemption.

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(D) No reduction shall be made with respect to the home of
any person convicted of violating division (C) or (D) of section
4503.066 of the Revised Code for a period of three years following
the conviction.

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Sec. 4503.066. (A)(1) To obtain a tax reduction under section
4503.065 of the Revised Code, the owner of the home shall file an
application with the county auditor of the county in which the
home is located. An application for reduction in taxes based upon
a physical disability shall be accompanied by a certificate signed
by a physician, and an application for reduction in taxes based
upon a mental disability shall be accompanied by a certificate
signed by a physician or psychologist licensed to practice in this
state. The certificate shall attest to the fact that the applicant
is permanently and totally disabled, shall be in a form that the
department of taxation requires, and shall include the definition
of totally and permanently disabled as set forth in section
4503.064 of the Revised Code. An application for reduction in
taxes based upon a disability certified as permanent and total by
a state or federal agency having the function of so classifying
persons shall be accompanied by a certificate from that agency.

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(2) Each application shall constitute a continuing
application for a reduction in taxes for each year in which the
manufactured or mobile home is occupied by the applicant. Failure
to receive a new application or notification under division (B) of
this section after an application for reduction has been approved
is prima-facie evidence that the original applicant is entitled to

the reduction calculated on the basis of the information contained 704
in the original application. The original application and any 705
subsequent application shall be in the form of a signed statement 706
and shall be filed not later than the first Monday in June. The 707
statement shall be on a form, devised and supplied by the tax 708
commissioner, that shall require no more information than is 709
necessary to establish the applicant's eligibility for the 710
reduction in taxes and the amount of the reduction to which the 711
applicant is entitled. The form shall contain a statement that 712
signing such application constitutes a delegation of authority by 713
the applicant to the county auditor to examine any financial 714
records that relate to income earned by the applicant as stated on 715
the application for the purpose of determining eligibility under, 716
or possible violation of, division (C) or (D) of this section. The 717
form also shall contain a statement that conviction of willfully 718
falsifying information to obtain a reduction in taxes or failing 719
to comply with division (B) of this section shall result in the 720
revocation of the right to the reduction for a period of three 721
years. 722

(3) A late application for a reduction in taxes for the year 723
preceding the year for which an original application is filed may 724
be filed with an original application. If the auditor determines 725
that the information contained in the late application is correct, 726
the auditor shall determine both the amount of the reduction in 727
taxes to which the applicant would have been entitled for the 728
current tax year had the application been timely filed and 729
approved in the preceding year, and the amount the taxes levied 730
under section 4503.06 of the Revised Code for the current year 731
would have been reduced as a result of the reduction. When an 732
applicant is permanently and totally disabled on the first day of 733
January of the year in which the applicant files a late 734

application, the auditor, in making the determination of the 735
amounts of the reduction in taxes under division (A)(3) of this 736
section, is not required to determine that the applicant was 737
permanently and totally disabled on the first day of January of 738
the preceding year. 739

The amount of the reduction in taxes pursuant to a late 740
application shall be treated as an overpayment of taxes by the 741
applicant. The auditor shall credit the amount of the overpayment 742
against the amount of the taxes or penalties then due from the 743
applicant, and, at the next succeeding settlement, the amount of 744
the credit shall be deducted from the amount of any taxes or 745
penalties distributable to the county or any taxing unit in the 746
county that has received the benefit of the taxes or penalties 747
previously overpaid, in proportion to the benefits previously 748
received. If, after the credit has been made, there remains a 749
balance of the overpayment, or if there are no taxes or penalties 750
due from the applicant, the auditor shall refund that balance to 751
the applicant by a warrant drawn on the county treasurer in favor 752
of the applicant. The treasurer shall pay the warrant from the 753
general fund of the county. If there is insufficient money in the 754
general fund to make the payment, the treasurer shall pay the 755
warrant out of any undivided manufactured or mobile home taxes 756
subsequently received by the treasurer for distribution to the 757
county or taxing district in the county that received the benefit 758
of the overpaid taxes, in proportion to the benefits previously 759
received, and the amount paid from the undivided funds shall be 760
deducted from the money otherwise distributable to the county or 761
taxing district in the county at the next or any succeeding 762
distribution. At the next or any succeeding distribution after 763
making the refund, the treasurer shall reimburse the general fund 764
for any payment made from that fund by deducting the amount of 765

that payment from the money distributable to the county or other
taxing unit in the county that has received the benefit of the
taxes, in proportion to the benefits previously received. On the
second Monday in September of each year, the county auditor shall
certify the total amount of the reductions in taxes made in the
current year under division (A)(3) of this section to the tax
commissioner who shall treat that amount as a reduction in taxes
for the current tax year and shall make reimbursement to the
county of that amount in the manner prescribed in section 4503.068
of the Revised Code, from moneys appropriated for that purpose.

(B) If in any year for which an application for reduction in
taxes has been approved the owner no longer qualifies for the
reduction, the owner shall notify the county auditor that the
owner is not qualified for a reduction in taxes.

During January of each year, the county auditor shall furnish
each person whose application for reduction has been approved, by
ordinary mail, a form on which to report any changes in total
income, ownership, occupancy, disability, and other information
earlier furnished the auditor relative to the application. The
form shall be completed and returned to the auditor not later than
the first Monday in June if the changes would affect the person's
eligibility for the reduction.

(C) No person shall knowingly make a false statement for the
purpose of obtaining a reduction in taxes under section 4503.065
of the Revised Code.

(D) No person shall knowingly fail to notify the county
auditor of any change required by division (B) of this section
that has the effect of maintaining or securing a reduction in
taxes under section 4503.065 of the Revised Code.

(E) No person shall knowingly make a false statement or

certification attesting to any person's physical or mental 796
condition for purposes of qualifying such person for tax relief 797
pursuant to sections 4503.064 to 4503.069 of the Revised Code. 798

(F) Whoever violates division (C), (D), or (E) of this 799
section is guilty of a misdemeanor of the fourth degree." 800

Between lines 137213 and 137214, insert: 801

"(12) All transactions by which a specified digital product 802
is provided for permanent use or less than permanent use, 803
regardless of whether continued payment is required." 804

Between lines 138090 and 138091, insert: 805

"(000) "Specified digital product" means an electronically 806
transferred digital audiovisual work, digital audio work, or 807
digital book." 808

As used in division (000) of this section: 809

(1) "Digital audiovisual work" means a series of related 810
images that, when shown in succession, impart an impression of 811
motion, together with accompanying sounds, if any. 812

(2) "Digital audio work" means a work that results from the 813
fixation of a series of musical, spoken, or other sounds, 814
including digitized sound files that are downloaded onto a device 815
and that may be used to alert the customer with respect to a 816
communication. 817

(3) "Digital book" means a work that is generally recognized 818
in the ordinary and usual sense as a book. 819

(4) "Electronically transferred" means obtained by the 820
purchaser by means other than tangible storage media. 821

"Specified digital product" does not include cable service or 822
video programming purchased by a cable service provider that is 823

incorporated into cable service. As used in this division, "cable service" and "cable service provider" have the same meanings as in section 1332.01 of the Revised Code and "video programming" has the same meaning as in section 1332.21 of the Revised Code.

In line 138103, strike through "one-half" and insert "three-fourths"

In line 138156, strike through "and of magazine subscriptions"

Between lines 139714 and 139715, insert:

"Sec. 5739.10. (A) In addition to the tax levied by section 5739.02 of the Revised Code and any tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, and to secure the same objectives specified in those sections, there is hereby levied upon the privilege of engaging in the business of making retail sales, an excise tax equal to the tax levied by section 5739.02 of the Revised Code, or, in the case of retail sales subject to a tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, a percentage equal to the aggregate rate of such taxes and the tax levied by section 5739.02 of the Revised Code of the receipts derived from all retail sales, except those to which the excise tax imposed by section 5739.02 of the Revised Code is made inapplicable by division (B) of that section.

(B) For the purpose of this section, no vendor shall be required to maintain records of sales of food for human consumption off the premises where sold, and no assessment shall be made against any vendor for sales of food for human consumption off the premises where sold, solely because the vendor has no records of, or has inadequate records of, such sales; provided that where a vendor does not have adequate records of receipts

from the vendor's sales of food for human consumption on the 853
 premises where sold, the tax commissioner may refuse to accept the 854
 vendor's return and, upon the basis of test checks of the vendor's 855
 business for a representative period, and other information 856
 relating to the sales made by such vendor, determine the 857
 proportion that taxable retail sales bear to all of the vendor's 858
 retail sales. The tax imposed by this section shall be determined 859
 by deducting from the sum representing five and ~~one-half or six~~ 860
three-fourths per cent, as applicable under division (A) of this 861
 section, or, in the case of retail sales subject to a tax levied 862
 pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised 863
 Code, a percentage equal to the aggregate rate of such taxes and 864
 the tax levied by section 5739.02 of the Revised Code of the 865
 receipts from such retail sales, the amount of tax paid to the 866
 state or to a clerk of a court of common pleas. The section does 867
 not affect any duty of the vendor under sections 5739.01 to 868
 5739.19 and 5739.26 to 5739.31 of the Revised Code, nor the 869
 liability of any consumer to pay any tax imposed by or pursuant to 870
 section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised 871
 Code." 872

Between lines 139826 and 139827, insert: 873

"Sec. 5739.212. (A) As used in this section, "cash register" 874
 means a cash register used by the vendor or seller to compute the 875
 correct tax on the date the new tax or tax increase took effect 876
 and that could not have been used to compute the correct tax on 877
 that date had adjustments or modifications not been made to it. 878

(B) Within six months of the date that a tax imposed under 879
 section 5739.021, 5739.023, 5739.026, 5741.021, ~~5747.022~~ 5741.022, 880
 or 5741.023 of the Revised Code takes effect for the first time or 881
 the effective date of an increase in the rate of such a tax, a 882

vendor or seller required to collect the tax may apply to the 883
county auditor for a refund of a portion of the amount of tax 884
required to be remitted. The refund shall be in consideration of 885
the costs incurred by or charges to the vendor or the seller for 886
modifications or adjustments that were required to be made to 887
enable the correct tax to be computed at the vendor or seller's 888
cash registers. The total refund paid to a vendor or a seller 889
under this section with respect to modifications or adjustments 890
for a new tax or an increase in the rate of an existing tax shall 891
be determined as follows: 892

(1) If the vendor or seller has one place of business and one 893
cash register at that place of business, the refund shall equal 894
the lesser of one hundred dollars or the actual cost incurred by 895
the vendor or seller in making the modifications or adjustments. 896

(2) If the vendor or seller has one place of business and 897
more than one cash register at that place of business, the refund 898
shall equal the lesser of fifty dollars times the number of cash 899
registers or the actual cost incurred by the vendor or seller in 900
making the modifications or adjustments. 901

If the vendor or seller has more than one place of business, 902
each place of business shall be considered separately for purposes 903
of determining the refund to which the vendor or seller is 904
entitled under this section. 905

(C) The refund application shall be in the form and include 906
the information the tax commissioner prescribes by rule. Within 907
nine months of the filing of the application, the auditor shall 908
determine the cost incurred by the vendor or seller that will be 909
allowed as a refund and shall certify the amount of the refund to 910
the applicant. The refund shall be treated as an erroneous 911
payment, and shall be refunded from the county general fund or the 912

appropriate fund of the authority imposing the tax, except that in 913
the case of a refund required to be remitted from a transit 914
authority tax, the auditor shall certify the amount of the refund 915
to the transit authority for payment of the refund by the transit 916
authority to the applicant." 917

Between lines 140067 and 140068, insert: 918

"**Sec. 5741.02.** (A)(1) For the use of the general revenue fund 919
of the state, an excise tax is hereby levied on the storage, use, 920
or other consumption in this state of tangible personal property 921
or the benefit realized in this state of any service provided. The 922
tax shall be collected as provided in section 5739.025 of the 923
Revised Code, ~~provided that on and after July 1, 2003, and on or~~ 924
~~before June 30, 2005, the rate of the tax shall be six per cent.~~ 925
~~On and after July 1, 2005, the~~ The rate of the tax shall be five 926
and ~~one-half~~ three-fourths per cent. 927

(2) In the case of the lease or rental, with a fixed term of 928
more than thirty days or an indefinite term with a minimum period 929
of more than thirty days, of any motor vehicles designed by the 930
manufacturer to carry a load of not more than one ton, watercraft, 931
outboard motor, or aircraft, or of any tangible personal property, 932
other than motor vehicles designed by the manufacturer to carry a 933
load of more than one ton, to be used by the lessee or renter 934
primarily for business purposes, the tax shall be collected by the 935
seller at the time the lease or rental is consummated and shall be 936
calculated by the seller on the basis of the total amount to be 937
paid by the lessee or renter under the lease or rental agreement. 938
If the total amount of the consideration for the lease or rental 939
includes amounts that are not calculated at the time the lease or 940
rental is executed, the tax shall be calculated and collected by 941
the seller at the time such amounts are billed to the lessee or 942

renter. In the case of an open-end lease or rental, the tax shall
be calculated by the seller on the basis of the total amount to be
paid during the initial fixed term of the lease or rental, and for
each subsequent renewal period as it comes due. As used in this
division, "motor vehicle" has the same meaning as in section
4501.01 of the Revised Code, and "watercraft" includes an outdrive
unit attached to the watercraft.

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

(B) Each consumer, storing, using, or otherwise consuming in
this state tangible personal property or realizing in this state
the benefit of any service provided, shall be liable for the tax,
and such liability shall not be extinguished until the tax has
been paid to this state; provided, that the consumer shall be
relieved from further liability for the tax if the tax has been
paid to a seller in accordance with section 5741.04 of the Revised
Code or prepaid by the seller in accordance with section 5741.06
of the Revised Code.

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

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

(2) Except as provided in division (D) of this section,
tangible personal property or services, the acquisition of which,

if made in Ohio, would be a sale not subject to the tax imposed by 973
 sections 5739.01 to 5739.31 of the Revised Code; 974

(3) Property or services, the storage, use, or other 975
 consumption of or benefit from which this state is prohibited from 976
 taxing by the Constitution of the United States, laws of the 977
 United States, or the Constitution of this state. This exemption 978
 shall not exempt from the application of the tax imposed by this 979
 section the storage, use, or consumption of tangible personal 980
 property that was purchased in interstate commerce, but that has 981
 come to rest in this state, provided that fuel to be used or 982
 transported in carrying on interstate commerce that is stopped 983
 within this state pending transfer from one conveyance to another 984
 is exempt from the excise tax imposed by this section and section 985
 5739.02 of the Revised Code; 986

(4) Transient use of tangible personal property in this state 987
 by a nonresident tourist or vacationer, or a nonbusiness use 988
 within this state by a nonresident of this state, if the property 989
 so used was purchased outside this state for use outside this 990
 state and is not required to be registered or licensed under the 991
 laws of this state; 992

(5) Tangible personal property or services rendered, upon 993
 which taxes have been paid to another jurisdiction to the extent 994
 of the amount of the tax paid to such other jurisdiction. Where 995
 the amount of the tax imposed by this section and imposed pursuant 996
 to section 5741.021, 5741.022, or 5741.023 of the Revised Code 997
 exceeds the amount paid to another jurisdiction, the difference 998
 shall be allocated between the tax imposed by this section and any 999
 tax imposed by a county or a transit authority pursuant to section 1000
 5741.021, 5741.022, or 5741.023 of the Revised Code, in proportion 1001
 to the respective rates of such taxes. 1002

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

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

(7) Drugs that are or are intended to be distributed free of charge to a practitioner licensed to prescribe, dispense, and administer drugs to a human being in the course of a professional practice and that by law may be dispensed only by or upon the order of such a practitioner.

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

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

(a) A nonprofit organization operated exclusively for charitable purposes in this state, no part of the net income of

which inures to the benefit of any private shareholder or 1033
individual and no substantial part of the activities of which 1034
consists of carrying on propaganda or otherwise attempting to 1035
influence legislation; or 1036

(b) This state or any political subdivision of this state, 1037
but only if donated for exclusively public purposes. 1038

For the purposes of division (C)(10) of this section, 1039
"charitable purposes" has the same meaning as in division (B)(12) 1040
of section 5739.02 of the Revised Code. 1041

(D) The tax applies to the storage, use, or other consumption 1042
in this state of tangible personal property or services, the 1043
acquisition of which at the time of sale was excepted under 1044
division (E) of section 5739.01 of the Revised Code from the tax 1045
imposed by section 5739.02 of the Revised Code, but which has 1046
subsequently been temporarily or permanently stored, used, or 1047
otherwise consumed in a taxable manner. 1048

(E)(1)(a) If any transaction is claimed to be exempt under 1049
division (E) of section 5739.01 of the Revised Code or under 1050
section 5739.02 of the Revised Code, with the exception of 1051
divisions (B)(1) to (11) or (28) of section 5739.02 of the Revised 1052
Code, the consumer shall provide to the seller, and the seller 1053
shall obtain from the consumer, a certificate specifying the 1054
reason that the transaction is not subject to the tax. The 1055
certificate shall be in such form, and shall be provided either in 1056
a hard copy form or electronic form, as the tax commissioner 1057
prescribes. 1058

(b) A seller that obtains a fully completed exemption 1059
certificate from a consumer is relieved of liability for 1060
collecting and remitting tax on any sale covered by that 1061
certificate. If it is determined the exemption was improperly 1062

claimed, the consumer shall be liable for any tax due on that sale 1063
under this chapter. Relief under this division from liability does 1064
not apply to any of the following: 1065

(i) A seller that fraudulently fails to collect tax; 1066

(ii) A seller that solicits consumers to participate in the 1067
unlawful claim of an exemption; 1068

(iii) A seller that accepts an exemption certificate from a 1069
consumer that claims an exemption based on who purchases or who 1070
sells property or a service, when the subject of the transaction 1071
sought to be covered by the exemption certificate is actually 1072
received by the consumer at a location operated by the seller in 1073
this state, and this state has posted to its web site an exemption 1074
certificate form that clearly and affirmatively indicates that the 1075
claimed exemption is not available in this state; 1076

(iv) A seller that accepts an exemption certificate from a 1077
consumer who claims a multiple points of use exemption under 1078
division (D) of section 5739.033 of the Revised Code, if the item 1079
purchased is tangible personal property, other than prewritten 1080
computer software. 1081

(2) The seller shall maintain records, including exemption 1082
certificates, of all sales on which a consumer has claimed an 1083
exemption, and provide them to the tax commissioner on request. 1084

(3) If no certificate is provided or obtained within ninety 1085
days after the date on which the transaction is consummated, it 1086
shall be presumed that the tax applies. Failure to have so 1087
provided or obtained a certificate shall not preclude a seller, 1088
within one hundred twenty days after the tax commissioner gives 1089
written notice of intent to levy an assessment, from either 1090
establishing that the transaction is not subject to the tax, or 1091

obtaining, in good faith, a fully completed exemption certificate. 1092

(4) If a transaction is claimed to be exempt under division 1093
(B)(13) of section 5739.02 of the Revised Code, the contractor 1094
shall obtain certification of the claimed exemption from the 1095
contractee. This certification shall be in addition to an 1096
exemption certificate provided by the contractor to the seller. A 1097
contractee that provides a certification under this division shall 1098
be deemed to be the consumer of all items purchased by the 1099
contractor under the claim of exemption, if it is subsequently 1100
determined that the exemption is not properly claimed. The 1101
certification shall be in such form as the tax commissioner 1102
prescribes. 1103

(F) A seller who files a petition for reassessment contesting 1104
the assessment of tax on transactions for which the seller 1105
obtained no valid exemption certificates, and for which the seller 1106
failed to establish that the transactions were not subject to the 1107
tax during the one-hundred-twenty-day period allowed under 1108
division (E) of this section, may present to the tax commissioner 1109
additional evidence to prove that the transactions were exempt. 1110
The seller shall file such evidence within ninety days of the 1111
receipt by the seller of the notice of assessment, except that, 1112
upon application and for reasonable cause, the tax commissioner 1113
may extend the period for submitting such evidence thirty days. 1114

(G) For the purpose of the proper administration of sections 1115
5741.01 to 5741.22 of the Revised Code, and to prevent the evasion 1116
of the tax hereby levied, it shall be presumed that any use, 1117
storage, or other consumption of tangible personal property in 1118
this state is subject to the tax until the contrary is 1119
established. 1120

(H) The tax collected by the seller from the consumer under 1121

this chapter is not part of the price, but is a tax collection for 1122
 the benefit of the state, and of counties levying an additional 1123
 use tax pursuant to section 5741.021 or 5741.023 of the Revised 1124
 Code and of transit authorities levying an additional use tax 1125
 pursuant to section 5741.022 of the Revised Code. Except for the 1126
 discount authorized under section 5741.12 of the Revised Code and 1127
 the effects of any rounding pursuant to section 5703.055 of the 1128
 Revised Code, no person other than the state or such a county or 1129
 transit authority shall derive any benefit from the collection of 1130
 such tax." 1131

Between lines 140160 and 140161, insert: 1132

"**Sec. 5743.01.** As used in this chapter: 1133

(A) "Person" includes individuals, firms, partnerships, 1134
 associations, joint-stock companies, corporations, combinations of 1135
 individuals of any form, and the state and any of its political 1136
 subdivisions. 1137

(B) "Wholesale dealer" includes only those persons: 1138

(1) Who bring in or cause to be brought into this state 1139
 unstamped cigarettes purchased directly from the manufacturer, 1140
 producer, or importer of cigarettes for sale in this state but 1141
 does not include persons who bring in or cause to be brought into 1142
 this state cigarettes with respect to which no evidence of tax 1143
 payment is required thereon as provided in section 5743.04 of the 1144
 Revised Code; or 1145

(2) Who are engaged in the business of selling cigarettes or 1146
 tobacco products to others for the purpose of resale. 1147

"Wholesale dealer" does not include any cigarette 1148
 manufacturer, export warehouse proprietor, or importer with a 1149

valid permit under 26 U.S.C. 5713 if that person sells cigarettes 1150
in this state only to wholesale dealers holding valid and current 1151
licenses under section 5743.15 of the Revised Code or to an export 1152
warehouse proprietor or another manufacturer. 1153

(C) "Retail dealer" includes: 1154

(1) In reference to dealers in cigarettes, every person other 1155
than a wholesale dealer engaged in the business of selling 1156
cigarettes in this state, regardless of whether the person is 1157
located in this state or elsewhere, and regardless of quantity, 1158
amount, or number of sales; 1159

(2) In reference to dealers in tobacco products, any person 1160
in this state engaged in the business of selling tobacco products 1161
to ultimate consumers in this state, regardless of quantity, 1162
amount, or number of sales. 1163

(D) "Sale" includes exchange, barter, gift, offer for sale, 1164
and distribution, and includes transactions in interstate or 1165
foreign commerce. 1166

(E) "Cigarettes" includes any roll for smoking made wholly or 1167
in part of tobacco, irrespective of size or shape, and whether or 1168
not such tobacco is flavored, adulterated, or mixed with any other 1169
ingredient, the wrapper or cover of which is made of paper, 1170
reconstituted cigarette tobacco, homogenized cigarette tobacco, 1171
cigarette tobacco sheet, or any similar materials other than cigar 1172
tobacco. 1173

(F) "Package" means the individual package, box, or other 1174
container in or from which retail sales of cigarettes are normally 1175
made or intended to be made. 1176

(G) "Stamp" includes an impression made by a metering device 1177
as provided for in section 5743.04 of the Revised Code. 1178

(H) "Storage" includes any keeping or retention of cigarettes	1179
or tobacco products for use or consumption in this state.	1180
(I) "Use" includes the exercise of any right or power	1181
incidental to the ownership of cigarettes or tobacco products.	1182
(J) "Tobacco product" or "other tobacco product" means any	1183
product made from tobacco, other than cigarettes, that is made for	1184
smoking or chewing, or both, and snuff.	1185
(K) "Wholesale price" means the invoice price, including all	1186
federal excise taxes, at which the manufacturer of the tobacco	1187
product sells the tobacco product to unaffiliated distributors,	1188
excluding any discounts based on the method of payment of the	1189
invoice or on time of payment of the invoice. If the taxpayer buys	1190
from other than a manufacturer, "wholesale price" means the	1191
invoice price, including all federal excise taxes and excluding	1192
any discounts based on the method of payment of the invoice or on	1193
time of payment of the invoice.	1194
(L) "Distributor" means:	1195
(1) Any manufacturer who sells, barter, exchanges, or	1196
distributes tobacco products to a retail dealer in the state,	1197
except when selling to a retail dealer that has filed with the	1198
manufacturer a signed statement agreeing to pay and be liable for	1199
the tax imposed by section 5743.51 of the Revised Code;	1200
(2) Any wholesale dealer located in the state who receives	1201
tobacco products from a manufacturer, or who receives tobacco	1202
products on which the tax imposed by this chapter has not been	1203
paid;	1204
(3) Any wholesale dealer located outside the state who sells,	1205
barter, exchanges, or distributes tobacco products to a wholesale	1206
or retail dealer in the state; or	1207

(4) Any retail dealer who receives tobacco products on which the tax has not or will not be paid by another distributor, including a retail dealer that has filed a signed statement with a manufacturer in which the retail dealer agrees to pay and be liable for the tax that would otherwise be imposed on the manufacturer by section 5743.51 of the Revised Code.

(M) "Taxpayer" means any person liable for the tax imposed by section 5743.51, 5743.62, or 5743.63 of the Revised Code.

(N) "Seller" means any person located outside this state engaged in the business of selling tobacco products to consumers for storage, use, or other consumption in this state.

(O) "Manufacturer" means any person who manufactures and sells cigarettes or tobacco products.

(P) "Importer" means any person that is authorized, under a valid permit issued under Section 5713 of the Internal Revenue Code, to import finished cigarettes into the United States, either directly or indirectly.

(Q) "Little cigar" means any roll for smoking, other than cigarettes, made wholly or in part of tobacco that uses an integrated cellulose acetate filter or other similar filter and is wrapped in any substance containing tobacco, other than natural leaf tobacco."

Between lines 140433 and 140434, insert:

"**Sec. 5743.51.** (A) To provide revenue for the general revenue fund of the state, an excise tax on tobacco products is hereby levied at one of the ~~rate of~~ following rates:

(1) For tobacco products other than little cigars, seventeen per cent of the wholesale price of the tobacco product received by

a distributor or sold by a manufacturer to a retail dealer located 1236
in this state. ~~Each~~ 1237

(2) On each little cigar received by a distributor or sold by 1238
a manufacturer to a retail dealer located in this state, the rate 1239
levied on each cigarette under section 5743.02 of the Revised 1240
Code. 1241

Each distributor who brings tobacco products, or causes 1242
tobacco products to be brought, into this state for distribution 1243
within this state, or any out-of-state distributor who sells 1244
tobacco products to wholesale or retail dealers located in this 1245
state for resale by those wholesale or retail dealers is liable 1246
for the tax imposed by this section. Only one sale of the same 1247
article shall be used in computing the amount of the tax due. 1248

(B) The treasurer of state shall place to the credit of the 1249
tax refund fund created by section 5703.052 of the Revised Code, 1250
out of the receipts from the tax levied by this section, amounts 1251
equal to the refunds certified by the tax commissioner pursuant to 1252
section 5743.53 of the Revised Code. The balance of the taxes 1253
collected under this section shall be paid into the general 1254
revenue fund. 1255

(C) The commissioner may adopt rules as are necessary to 1256
assist in the enforcement and administration of sections 5743.51 1257
to 5743.66 of the Revised Code, including rules providing for the 1258
remission of penalties imposed. 1259

(D) A manufacturer is not liable for payment of the tax 1260
imposed by this section for sales of tobacco products to a retail 1261
dealer that has filed a signed statement with the manufacturer in 1262
which the retail dealer agrees to pay and be liable for the tax, 1263
as long as the manufacturer has provided a copy of the statement 1264
to the tax commissioner." 1265

Between lines 140520 and 140521, insert: 1266

"**Sec. 5743.62.** (A) To provide revenue for the general revenue 1267
fund of the state, an excise tax is hereby levied on the seller of 1268
tobacco products in this state at one of the ~~rate of~~ following 1269
rates: 1270

(1) For tobacco products other than little cigars, seventeen 1271
per cent of the wholesale price of the tobacco product whenever 1272
the tobacco product is delivered to a consumer in this state for 1273
the storage, use, or other consumption of such tobacco products. 1274
The 1275

(2) On each little cigar, the rate levied on each cigarette 1276
under section 5743.02 of the Revised Code whenever a little cigar 1277
is delivered to a consumer in this state for the storage, use, or 1278
other consumption of the little cigar. 1279

The tax imposed by this section applies only to sellers 1280
having nexus in this state, as defined in section 5741.01 of the 1281
Revised Code. 1282

(B) A seller of tobacco products who has nexus in this state 1283
as defined in section 5741.01 of the Revised Code shall register 1284
with the tax commissioner and supply any information concerning 1285
the seller's contacts with this state as may be required by the 1286
tax commissioner. A seller who does not have nexus in this state 1287
may voluntarily register with the tax commissioner. A seller who 1288
voluntarily registers with the tax commissioner is entitled to the 1289
same benefits and is subject to the same duties and requirements 1290
as a seller required to be registered with the tax commissioner 1291
under this division. 1292

(C) Each seller of tobacco products subject to the tax levied 1293
by this section, on or before the last day of each month, shall 1294

file with the tax commissioner a return for the preceding month 1295
 showing any information the tax commissioner finds necessary for 1296
 the proper administration of sections 5743.51 to 5743.66 of the 1297
 Revised Code, together with remittance of the tax due, payable to 1298
 the treasurer of state. The return and payment of the tax required 1299
 by this section shall be filed in such a manner that it is 1300
 received by the tax commissioner on or before the last day of the 1301
 month following the reporting period. If the return is filed and 1302
 the amount of the tax shown on the return to be due is paid on or 1303
 before the date the return is required to be filed, the seller is 1304
 entitled to a discount equal to two and five-tenths per cent of 1305
 the amount shown on the return to be due. 1306

(D) The tax commissioner shall immediately forward to the 1307
 treasurer of state all money received from the tax levied by this 1308
 section, and the treasurer shall credit the amount to the general 1309
 revenue fund. 1310

(E) Each seller of tobacco products subject to the tax levied 1311
 by this section shall mark on the invoices of tobacco products 1312
 sold that the tax levied by that section has been paid and shall 1313
 indicate the seller's account number as assigned by the tax 1314
 commissioner. 1315

Sec. 5743.63. (A) To provide revenue for the general revenue 1316
 fund of the state, an excise tax is hereby levied on the storage, 1317
 use, or other consumption of tobacco products at one of the rate 1318
~~of following rates:~~ 1319

(1) For tobacco products other than little cigars, seventeen 1320
 per cent of the wholesale price of the tobacco product, ~~provided,~~ 1321

(2) On each little cigar, the rate levied on each cigarette 1322
under section 5743.02 of the Revised Code. 1323

The tax levied under division (A) of this section is imposed 1324
only if the tax has not been paid by the seller as provided in 1325
 section 5743.62 of the Revised Code, or by the distributor as 1326
 provided in section 5743.51 of the Revised Code. 1327

(B) Each person subject to the tax levied by this section, on 1328
 or before the last day of each month, shall file with the tax 1329
 commissioner a return for the preceding month showing any 1330
 information the tax commissioner finds necessary for the proper 1331
 administration of sections 5743.51 to 5743.66 of the Revised Code, 1332
 together with remittance of the tax due, payable to the treasurer 1333
 of state. The return and payment of the tax required by this 1334
 section shall be filed in such a manner that it is received by the 1335
 tax commissioner on or before the last day of the month following 1336
 the reporting period. 1337

(C) The tax commissioner shall immediately forward to the 1338
 treasurer of state all money received from the tax levied by this 1339
 section, and the treasurer shall credit the amount to the general 1340
 revenue fund." 1341

In line 140780, strike through "or 5747.65" 1342

In line 141005, strike through all after "(29)" 1343

Strike through lines 141006 through 141010 1344

In line 141011, strike through "(30)" 1345

In line 141016, strike through "(31)" and insert "(30)" 1346

Delete lines 141028 through 141033 and insert: 1347

"(31) Deduct one-half of the taxpayer's Ohio small business 1348
investor income, the deduction not to exceed one hundred 1349
twenty-five thousand dollars for each spouse if spouses file 1350
separate returns under section 5747.08 of the Revised Code or two 1351

<u>hundred fifty thousand dollars for all other taxpayers. No</u>		1352
<u>pass-through entity may claim a deduction under this division."</u>		1353
In line 141328, strike through "or 5747.65"		1354
In line 141713, delete " <u>thereafter</u> " and insert " <u>2012</u> "		1355
Between lines 141728a and 141729, insert:		1356
<u>"(7) For taxable years beginning in 2013:</u>		1357
<u>OHIO ADJUSTED GROSS INCOME LESS</u>		1358
<u>EXEMPTIONS (INDIVIDUALS)</u>		
<u>OR</u>		1359
<u>MODIFIED OHIO</u>		1360
<u>TAXABLE INCOME (TRUSTS)</u>		1361
<u>OR</u>		1362
<u>OHIO TAXABLE INCOME (ESTATES)</u>	<u>TAX</u>	1363
<u>\$5,000 or less</u>	<u>.537%</u>	1364
<u>More than \$5,000 but not more</u>	<u>\$26.86 plus 1.074% of the amount</u>	1365
<u>than \$10,000</u>	<u>in excess of \$5,000</u>	
<u>More than \$10,000 but not more</u>	<u>\$80.57 plus 2.148% of the amount</u>	1366
<u>than \$15,000</u>	<u>in excess of \$10,000</u>	
<u>More than \$15,000 but not more</u>	<u>\$187.99 plus 2.686% of the</u>	1367
<u>than \$20,000</u>	<u>amount in excess of \$15,000</u>	
<u>More than \$20,000 but not more</u>	<u>\$322.26 plus 3.222% of the</u>	1368
<u>than \$40,000</u>	<u>amount in excess of \$20,000</u>	
<u>More than \$40,000 but not more</u>	<u>\$966.61 plus 3.760% of the</u>	1369
<u>than \$80,000</u>	<u>amount in excess of \$40,000</u>	
<u>More than \$80,000 but not more</u>	<u>\$2,470.50 plus 4.296% of the</u>	1370
<u>than \$100,000</u>	<u>amount in excess of \$80,000</u>	
<u>More than \$100,000 but not more</u>	<u>\$3,329.68 plus 4.988% of the</u>	1371
<u>than \$200,000</u>	<u>amount in excess of \$100,000</u>	
<u>More than \$200,000</u>	<u>\$8,317.35 plus 5.421% of the</u>	1372
	<u>amount in excess of \$200,000</u>	

<u>(8) For taxable years beginning in 2014:</u>		1373
<u>OHIO ADJUSTED GROSS INCOME LESS</u>		1374
<u>EXEMPTIONS (INDIVIDUALS)</u>		
<u>OR</u>		1375
<u>MODIFIED OHIO</u>		1376
<u>TAXABLE INCOME (TRUSTS)</u>		1377
<u>OR</u>		1378
<u>OHIO TAXABLE INCOME (ESTATES)</u>	<u>TAX</u>	1379
<u>\$5,000 or less</u>	<u>.534%</u>	1380
<u>More than \$5,000 but not more</u>	<u>\$26.71 plus 1.068% of the amount</u>	1381
<u>than \$10,000</u>	<u>in excess of \$5,000</u>	
<u>More than \$10,000 but not more</u>	<u>\$80.13 plus 2.137% of the amount</u>	1382
<u>than \$15,000</u>	<u>in excess of \$10,000</u>	
<u>More than \$15,000 but not more</u>	<u>\$186.96 plus 2.671% of the</u>	1383
<u>than \$20,000</u>	<u>amount in excess of \$15,000</u>	
<u>More than \$20,000 but not more</u>	<u>\$320.50 plus 3.204% of the</u>	1384
<u>than \$40,000</u>	<u>amount in excess of \$20,000</u>	
<u>More than \$40,000 but not more</u>	<u>\$961.32 plus 3.739% of the</u>	1385
<u>than \$80,000</u>	<u>amount in excess of \$40,000</u>	
<u>More than \$80,000 but not more</u>	<u>\$2,457.00 plus 4.272% of the</u>	1386
<u>than \$100,000</u>	<u>amount in excess of \$80,000</u>	
<u>More than \$100,000 but not more</u>	<u>\$3,311.49 plus 4.960% of the</u>	1387
<u>than \$200,000</u>	<u>amount in excess of \$100,000</u>	
<u>More than \$200,000</u>	<u>\$8,271.90 plus 5.392% of the</u>	1388
	<u>amount in excess of \$200,000</u>	
<u>(9) For taxable years beginning in 2015 or thereafter:</u>		1389
<u>OHIO ADJUSTED GROSS INCOME LESS</u>		1390
<u>EXEMPTIONS (INDIVIDUALS)</u>		
<u>OR</u>		1391
<u>MODIFIED OHIO</u>		1392
<u>TAXABLE INCOME (TRUSTS)</u>		1393

<u>OR</u>		1394
<u>OHIO TAXABLE INCOME (ESTATES)</u>	<u>TAX</u>	1395
<u>\$5,000 or less</u>	<u>.528%</u>	1396
<u>More than \$5,000 but not more than \$10,000</u>	<u>\$26.41 plus 1.057% of the amount in excess of \$5,000</u>	1397
<u>More than \$10,000 but not more than \$15,000</u>	<u>\$79.24 plus 2.113% of the amount in excess of \$10,000</u>	1398
<u>More than \$15,000 but not more than \$20,000</u>	<u>\$184.90 plus 2.642% of the amount in excess of \$15,000</u>	1399
<u>More than \$20,000 but not more than \$40,000</u>	<u>\$316.98 plus 3.169% of the amount in excess of \$20,000</u>	1400
<u>More than \$40,000 but not more than \$80,000</u>	<u>\$950.76 plus 3.698% of the amount in excess of \$40,000</u>	1401
<u>More than \$80,000 but not more than \$100,000</u>	<u>\$2,430.00 plus 4.226% of the amount in excess of \$80,000</u>	1402
<u>More than \$100,000 but not more than \$200,000</u>	<u>\$3,275.10 plus 4.906% of the amount in excess of \$100,000</u>	1403
<u>More than \$200,000</u>	<u>\$8,181.00 plus 5.333% of the amount in excess of \$200,000"</u>	1404
In line 141746, after the period insert " <u>The commissioner shall not make such adjustments for taxable years beginning in 2013, 2014, or 2015.</u> "		1405 1406 1407
Delete lines 141797 through 141813		1408
In line 141852, after the period insert " <u>The commissioner shall not make such an adjustment for taxable years beginning in 2013, 2014, or 2015.</u> "		1409 1410 1411
In line 141888, strike through "sections" and insert " <u>section</u> "; strike through "and 5747.022"		1412 1413
In line 141946, strike through "twenty-dollar personal exemption" and insert " <u>earned income tax</u> "		1414 1415

In line 141947, strike through "5747.022" and insert "5747.71" 1416
1417

In line 141953, strike through the semicolon 1418

Strike through line 141954 1419

In line 141955, strike through "Revised Code" 1420

In line 142529, delete "(32)" and insert "(31)" 1421

In line 142567, delete "(32)" and insert "(31)" 1422

Between lines 142677 and 142678, insert: 1423

"Sec. 5747.71. For taxable years beginning on or after January 1, 2013, there is hereby allowed a refundable credit against the tax imposed by section 5747.02 of the Revised Code for a taxpayer who is an "eligible individual" as defined in section 32 of the Internal Revenue Code. The credit shall equal five per cent of the credit allowed on the taxpayer's federal income tax return pursuant to section 32 of the Internal Revenue Code for the taxable year. If the Ohio adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse if the taxpayer and the taxpayer's spouse file a joint return, less applicable exemptions under section 5747.025 of the Revised Code, exceeds twenty thousand dollars, the credit authorized by this section shall not exceed fifty per cent of the amount of tax otherwise due after deducting all other credits except for the joint filing credit authorized under division (G) of section 5747.05 of the Revised Code. 1424
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The credit shall be claimed in the order prescribed by section 5747.98 of the Revised Code. If the amount of the credit exceeds the amount of tax due after deducting all other credits that precede the credit allowed by this section in that order, the 1440
1441
1442
1443

<u>taxpayer shall receive a refund of the excess.</u> "	1444
In line 142738, strike through all after "(8)"	1445
Strike through line 142739	1446
In line 142740, strike through "(9)"	1447
In line 142742, strike through "(10)" and insert " <u>(9)</u> "	1448
Strike through lines 142744 and 142745	1449
In line 142746, strike through "(12)" and insert " <u>(10)</u> "	1450
In line 142748, strike through "(13)" and insert " <u>(11)</u> "	1451
In line 142750, strike through "(14)" and insert " <u>(12)</u> "	1452
In line 142752, strike through "(15)" and insert " <u>(13)</u> "	1453
In line 142754, strike through "(16)" and insert " <u>(14)</u> "	1454
In line 142756, strike through "(17)" and insert " <u>(15)</u> "	1455
In line 142758, strike through "(18)" and insert " <u>(16)</u> "	1456
In line 142760, strike through "(19)" and insert " <u>(17)</u> "	1457
In line 142762, strike through "(20)" and insert " <u>(18)</u> "	1458
In line 142764, strike through "(21)" and insert " <u>(19)</u> "	1459
In line 142767, strike through "(22)" and insert " <u>(20)</u> "	1460
In line 142769, strike through "(23)" and insert " <u>(21)</u> "	1461
In line 142771, strike through "(24)" and insert " <u>(22)</u> "	1462
In line 142773, strike through "(25)" and insert " <u>(23)</u> "	1463
In line 142775, strike through "(26)" and insert " <u>(24)</u> "	1464
In line 142777, strike through "(27)" and insert " <u>(25)</u> "	1465
In line 142779, strike through "(28)" and insert " <u>(26)</u> "	1466
In line 142781, strike through "(29)"	1467

In line 142783, after "~~(30)~~" insert "(27)" 1468

In line 142785, delete "(30)" and insert "(28)" 1469

In line 142787, delete "(31)" and insert "(29)" 1470

In line 142789, delete "(32)" and insert "(30)" 1471

In line 142791, delete "(33)" and insert "(31)" 1472

In line 142793, delete "(34)" and insert "(32)" 1473

In line 142795, delete "(35)" and insert "(33)" 1474

In line 142798, delete "(36)" and insert "(34)" 1475

In line 142801, delete "(37)" and insert "(35)" 1476

In line 142802, strike through the period and insert an underlined semicolon 1477
1478

In line 142803, delete "(38)" and insert "(36)"; strike through "credit for financial institution" 1479
1480

Strike through line 142804 and insert "earned income tax credit under section 5747.71" 1481
1482

In line 142841, delete "(32)" and insert "(31)" 1483

Between lines 143905 and 143906, insert: 1484

"**Sec. 5751.03.** (A) Except as provided in division (B) of this section ~~and in section 5751.031 of the Revised Code~~, the tax levied under this section for each tax period shall be the product of two and six-tenths mills per dollar times the remainder of the taxpayer's taxable gross receipts for the tax period after subtracting the exclusion amount provided for in division (C) of this section. 1485
1486
1487
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(B) Notwithstanding division (C) of this section, the tax on the first ~~one million~~ five hundred thousand dollars in taxable 1492
1493

gross receipts each calendar year shall be one hundred fifty 1494
dollars. The tax imposed under this division shall be paid not 1495
later than the tenth day of May of each year along with the first 1496
quarter or annual tax return, as applicable. 1497

(C)(1) Each taxpayer may exclude the first ~~one million~~ five 1498
hundred thousand dollars of taxable gross receipts for a calendar 1499
year. Calendar quarter taxpayers shall apply the full exclusion 1500
amount to the first calendar quarter return the taxpayer files 1501
that calendar year and may carry forward and apply any unused 1502
exclusion amount to subsequent calendar quarters within that same 1503
calendar year. 1504

(2) A taxpayer switching from a calendar year tax period to a 1505
calendar quarter tax period may, for the first quarter of the 1506
change, apply the full ~~one million dollar~~ 1507
five-hundred-thousand-dollar exclusion amount to the first 1508
calendar quarter return the taxpayer files that calendar year. 1509
Such taxpayers may carry forward and apply any unused exclusion 1510
amount to subsequent calendar quarters within that same calendar 1511
year. The tax rate shall be based on the rate imposed that 1512
calendar quarter when the taxpayer switches from a calendar year 1513
to a calendar quarter tax period. 1514

(3) A taxpayer shall not exclude more than ~~one million~~ five 1515
hundred thousand dollars pursuant to division (C) of this section 1516
in a calendar year." 1517

Between lines 144010 and 144011, insert: 1518

"**Sec. 5751.08.** (A) An application for refund to the taxpayer 1519
of the amount of taxes imposed under this chapter that are 1520
overpaid, paid illegally or erroneously, or paid on any illegal or 1521
erroneous assessment shall be filed by the reporting person with 1522

the tax commissioner, on the form prescribed by the commissioner, 1523
within four years after the date of the illegal or erroneous 1524
payment of the tax, or within any additional period allowed under 1525
division (F) of section 5751.09 of the Revised Code. The applicant 1526
shall provide the amount of the requested refund along with the 1527
claimed reasons for, and documentation to support, the issuance of 1528
a refund. 1529

(B) On the filing of the refund application, the tax 1530
commissioner shall determine the amount of refund to which the 1531
applicant is entitled. If the amount is not less than that 1532
claimed, the commissioner shall certify the amount to the director 1533
of budget and management and treasurer of state for payment from 1534
the tax refund fund created under section 5703.052 of the Revised 1535
Code. If the amount is less than that claimed, the commissioner 1536
shall proceed in accordance with section 5703.70 of the Revised 1537
Code. 1538

(C) Interest on a refund applied for under this section, 1539
computed at the rate provided for in section 5703.47 of the 1540
Revised Code, shall be allowed from the later of the date the tax 1541
was paid or when the tax payment was due. 1542

(D) A ~~calendar quarter~~ taxpayer with more than ~~one million~~ 1543
five hundred thousand dollars in taxable gross receipts in a 1544
calendar year ~~other than calendar year 2005~~ and that is not able 1545
to exclude ~~one million~~ five hundred thousand dollars in taxable 1546
gross receipts because of the operation of the taxpayer's business 1547
in that calendar year may file for a refund under this section to 1548
obtain the full exclusion of ~~one million~~ five hundred thousand 1549
dollars in taxable gross receipts for that calendar year. 1550

(E) Except as provided in section 5751.081 of the Revised 1551
Code, the tax commissioner may, with the consent of the taxpayer, 1552

provide for the crediting against tax due for a tax year the	1553
amount of any refund due the taxpayer under this chapter for a	1554
preceding tax year."	1555
In line 146865, after "317.36," insert "319.302,"	1556
In line 146866, after "321.44," insert "323.151, 323.152,	1557
323.153,"	1558
In line 146959, after "4503.03," insert "4503.064, 4503.065,	1559
4503.066,"	1560
In line 147066, after "5739.09," insert "5739.10,"; after	1561
"5739.13," insert "5739.212,"; after "5741.01," insert "5741.02,";	1562
after "5741.17," insert "5743.01,"	1563
In line 147067, after "5743.15," insert "5743.51,"; after	1564
"5743.56," insert "5743.62, 5743.63,"; delete "5747.022,"	1565
In line 147070, after "5751.02," insert "5751.03,"	1566
In line 147071, after "5751.07," insert "5751.08,"	1567
In line 147097, after "5733.35," insert "5747.022, 5747.056,"	1568
In line 147098, after "5747.33," insert "5747.65, 5751.031,"	1569
In line 164159, delete "section 5747.022 and"	1570
In line 164162, delete "division (A)(32)" and insert "section	1571
5739.212, divisions (A)(16), (29), and (31) and division (S)"	1572
In line 164165, delete "section" and insert "sections	1573
5747.022, 5747.056,"; after "5747.211" insert ", and 5747.65"	1574
Between lines 164178 and 164179, insert:	1575
"(D) The amendment by this act of sections 5751.03 and	1576
5751.08 of the Revised Code applies to tax periods beginning on or	1577
after January 1, 2014."	1578
In line 164199, after " 803.170. " insert "(A) The amendment by	1579

this act of sections 319.302, 323.151, 323.152, and 323.153 of the Revised Code applies to tax year 2014 and each tax year thereafter.

(B) The amendment by this act of sections 4503.064, 4503.065, and 4503.066 of the Revised Code applies to tax year 2015 and each tax year thereafter.

(C)"

Between lines 164224 and 164225, insert:

"(D) The amendment by this act of section 5739.01, adding divisions (B)(12) and (QQQ), of divisions (A) and (B)(4) of section 5739.02, and of sections 5739.10 and 5741.02 of the Revised Code applies to the storage, use, or other consumption of tangible personal property or services and retail sales made on or after January 1, 2014.

Section 803. The amendment by this act of sections 5743.01, 5743.51, 5743.62, and 5743.63 of the Revised Code applies on and after January 1, 2014."

In line 33 of the title, after "317.36," insert "319.302,"

In line 34 of the title, after "321.44," insert "323.151, 323.152, 323.153,"

In line 159 of the title, after "4503.03," insert "4503.064, 4503.065, 4503.066,"

In line 302 of the title, after "5739.09," insert "5739.10,"; after "5739.13," insert "5739.212,"

In line 303 of the title, after "5741.01," insert "5741.02,"; after "5741.17," insert "5743.01,"; after "5743.15," insert "5743.51,"

In line 304 of the title, after "5743.56," insert "5743.62,"

5743.63,"; delete "5747.022," 1608

In line 308 of the title, after "5751.02," insert "5751.03," 1609

In line 309 of the title, after "5751.07," insert "5751.08," 1610

In line 573 of the title, after "5741.032," insert "5747.71," 1611

In line 604 of the title, after "5733.35," insert "5747.022," 1612

5747.056,"; after "5747.33," insert "5747.65, 5751.031," 1613

The motion was _____ agreed to.

SYNOPSIS

INCOME TAX 1614

Rate Reduction 1615

R.C. 5747.02 1616

Phases in a 10% reduction in income tax rates for all 1617

brackets over three years by reducing current rates by 8.5% for 1618

taxable year 2013, 9% for taxable year 2014, and 10% for taxable 1619

years beginning in 2015 and thereafter. 1620

Eliminate Low-income Tax Credit 1621

R.C. 5747.056, 5747.08, and 5747.98; Sections 105.01 and 1622

803.80 1623

Eliminates existing law's income tax credit for low-income 1624

taxpayers for taxable years beginning in or after 2013. The credit 1625

equals \$88 per tax return, which effectively exempts from the 1626

income tax individuals whose separate or joint Ohio taxable income 1627

is \$10,000 or less. 1628

State Earned Income Tax Credit 1629

R.C. 5747.08, 5747.71, and 5747.98; Section 803.80 1630

Authorizes a refundable state earned income tax credit for 1631
 low-income taxpayers who qualify for the federal earned income tax 1632
 credit (EITC). The state credit equals 5% of the federal EITC 1633
 allowed on a federal return filed for 2013 or thereafter. If the 1634
 Ohio adjusted gross income of the taxpayer or, if filing jointly, 1635
 the taxpayer and the taxpayer's spouse, exceeds \$20,000, the 1636
 credit may not exceed 50% of the tax liability after deducting all 1637
 other income tax credits except for the joint filing credit. 1638

The federal EITC is available to taxpayers whose earned 1639
 income and adjusted gross income fall below specified thresholds; 1640
 the credit is computed as a percentage of the taxpayer's earned 1641
 income. For 2012, the maximum federal earned income credit for a 1642
 person or couple without qualifying children was \$475, with one 1643
 qualifying child was \$3,169, with two qualifying children \$5,236, 1644
 and with three or more qualifying children \$5,891. 1645

Small Business Income Deduction 1646

R.C. 5747.01(A)(31), 5747.21, 5747.22, and 5748.01; Section 1647
803.80 1648

Decreases the amount of business income that an individual 1649
 may deduct for state income tax purposes (compared to the 1650
 Senate-passed bill), from \$187,500 to \$125,000 for each spouse 1651
 when a married couple files separate returns and from \$375,000 to 1652
 \$250,000 for single filers or joint filers. Under the 1653
 Senate-passed bill, an individual having income from a trade or 1654
 business may deduct one-half of the taxpayer's net business income 1655
 apportioned to Ohio in computing Ohio taxable income for state 1656
 (but not school district) income tax purposes, subject to dollar 1657
 limitations on the amount deductible as indicated above. 1658

Suspend Income Bracket and Exemption Inflation Indexing	1659
R.C. 5747.02 and 5747.025(C); Section 803.80	1660
Suspends inflation-indexing adjustments to the income tax	1661
brackets and the amount of the personal and dependent exemptions	1662
for taxable years beginning in 2013, 2014, or 2015.	1663
Repeal \$20 Personal Exemption Credit	1664
R.C. 5739.212, 5747.022, 5747.08, and 5747.98; Section 803.80	1665
Repeals current law's income tax credit that allows a	1666
taxpayer to claim a \$20 credit for each personal exemption the	1667
taxpayer claims.	1668
Repeal Income Tax Deduction for Wagering Losses	1669
R.C. 5747.01(A)(29); Section 803.80	1670
Repeals the Ohio income tax deduction for any loss from	1671
wagering transactions that is allowed as an itemized deduction for	1672
federal income tax purposes (i.e., losses deducted only to the	1673
extent of the gains from such transactions) and that the taxpayer	1674
deducted in computing federal taxpayer income. The Introduced bill	1675
included a similar repeal provision, but that provision was	1676
removed in the House-passed bill.	1677
Repeal Income Tax Credit for Pass-through Entity FIT Payments	1678
R.C. 5747.65; Section 803.80	1679
Repeals income tax credit allowed for taxpayers that own a	1680
pass-through interest in a financial institution. The credit is	1681
allowed to offset the owner's share of the entity's financial	1682
institution tax (FIT) payments, and is equal to the owner's	1683
proportionate share of the lesser of the FIT due or paid in a	1684
taxable year. Under current law, a person receiving such a credit	1685
must add the amount of the credit to its income for personal	1686

income tax purposes to the extent that the credit was deducted in	1687
computing Ohio taxable income.	1688
SALES AND USE TAX	1689
Rate Increase	1690
R.C. 5739.02, 5739.10, and 5741.02; Section 803.190	1691
Increases the state sales and use tax rate from 5.5% to 5.75%	1692
beginning January 1, 2014.	1693
Digital Products	1694
R.C. 5739.01; Section 803.190	1695
Subjects the sale or use of electronically transferred	1696
digital audio or audiovisual works or digital books to sales and	1697
use tax. Specifies that the provision does not subject cable	1698
service or video programming to sales and use taxation as a form	1699
of "digital good."	1700
Magazine Subscriptions	1701
R.C. 5739.02(B)(4); Section 803.190	1702
Eliminates the sales and use tax exemption for sales of	1703
magazine subscriptions. The sale or use of such subscriptions	1704
would be subject to sales and use tax beginning January 1, 2014.	1705
COMMERCIAL ACTIVITY TAX	1706
Reduction of Annual Exclusion Amount	1707
R.C. 5751.03, 5751.031 (repealed), and 5751.08; Section	1708
803.90	1709
Lowers the commercial activity tax (CAT) annual exclusion	1710
amount from \$1 million to \$500,000, but allows taxpayers with	1711
annual taxable gross receipts of between \$500,000 and \$1 million	1712
to continue to file annual returns instead of quarterly returns.	1713

Under current law, "calendar year" taxpayers (those with less than \$1 million of taxable gross receipts) owe an annual minimum tax of \$150, while "calendar quarter" taxpayers (those with taxable gross receipts of over \$1 million) owe the \$150 minimum, plus 0.26% on taxable gross receipts in excess of \$1 million. The amendment lowers this threshold to \$500,000. Consequently (for example), a taxpayer with \$750,000 in taxable gross receipts would pay the \$150 minimum tax on the first \$500,000 of taxable gross receipts, plus 0.26% on the remaining \$250,000. However, such a taxpayer would continue to file annual returns.

PROPERTY TAX

Homestead Exemption Means Testing

R.C. 323.151, 323.152(A), 323.153, 4503.064, 4503.065, and 4503.066; Section 803.170

Restricts the availability of the homestead exemption for elderly or disabled owners who apply for the exemption for the first time for the owner's homestead (dwellings occupied by the owner) in tax year 2014, or tax year 2015 if a manufactured home, to only those owners that have a total income of less than \$30,000. Under current law, the homestead exemption is available to all elderly and disabled homeowners, regardless of income, allowing them to shield up to \$25,000 of the market value of their homestead or manufactured home from property taxation upon application to the county auditor.

Property Tax Rollback Limitations

R.C. 319.302, 323.152(B); Section 803.170

Limits the application of the 2.5% and 10% property tax rollbacks by specifying that the rollbacks may not be applied to reduce the taxes due on new or replacement levies that become

effective in or after tax year 2014. Property tax levies effective	1743
in tax year 2013 and a renewal or substitute of that levy remains	1744
subject to the rollbacks. Under continuing law, the 10% rollback	1745
applies to all real property not intended primarily for use in a	1746
business activity, and the 2.5% rollback applies to all	1747
owner-occupied homesteads. The state reimburses local governments	1748
and schools for the revenue lost due to both rollbacks.	1749
TOBACCO PRODUCT EXCISE TAX	1750
Tax Rate on Little Cigars	1751
R.C. 5747.01, 5743.51, 5743.62, and 5743.63; Section 803.____	1752
Adjusts the excise tax rate on little cigars from 17% of	1753
wholesale price to 6.25¢ per little cigar, the same rate	1754
continuing law levies on cigarettes. A "little cigar" is a smoking	1755
roll that does not satisfy the excise tax law's definition of a	1756
cigarette, that contains an integrated cellulose acetate filter or	1757
similar filter, and that is not wrapped in natural leaf tobacco.	1758