

Governor John R. Kasich

JOBS Budget 2.0

Sales taxability of services

The following spreadsheet compares the taxability of services before and after Jobs Budget 2.0. The services listed here are services used in a 2007 survey on sales taxation of services among the states by the Federation of Tax Administrators (FTA) and additional services reflected in the North American Industry Classification System (NAICS) classifications. The spreadsheet is for illustrative purposes only. It does not constitute a legal opinion. Each statutory exemption has specific requirements that must be met in order to qualify for exemption. The cited statutory exemption applies only if the taxpayer meets all the requirements set forth in the referenced statute.

Legend

E = Exempt from taxation

Gray = Remains exempt from sales tax

Blue = Service already subject to sales tax

	Before	After	Legislation	Current law (R.C.)	*Proposed law (R.C.)
State Sales Tax Rate	5.50%	5.00%			

Health and well-being exemptions

Adult and child day care services	E	E			5739.01(X)(6)
Consumer lease/rental of consumer's primary residence	E	E			5739.01(X)(4)
Medical and health care services	E	E			5739.01(X)(1)
Preschool through twelve, post-secondary, and tutoring	E	E			5739.01(X)(2)
Real property construction services	E	E			5739.01(X)(3)
Residential trash pick-up and disposal	E	E			5739.01(X)(9)
Social assistance services	E	E			5739.01(X)(7)

Agricultural Services

Horse boarding and training	E	5.00%			5739.01(X)
Landscaping services (including lawn care)	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(3)(g)	5739.01(X)
Pet grooming	E	5.00%			5739.01(X)
Soil prep., custom baling, other ag. services	E	E		5739.02(B)(42)(n)	5739.02(B)(42)(n)
Veterinary services (livestock)	E	E		5739.02(B)(42)(n)	5739.02(B)(42)(n)

Industrial and Mining Services

Metal, non-metal and coal mining services	E	E			5739.01(X)(8)
Oil Field Services	E	E			5739.01(X)(8)
Seismograph & Geophysical Services	E	E			5739.01(X)(8)
Services used directly in producing oil and gas	E	E			5739.01(X)(8)
Typesetting & platemaking for the print trade	E	E		5739.02(B)(42)(f)	5739.02(B)(42)(f)

Construction

Carpentry, painting, plumbing and similar trades (real property)	E	E			5739.01(X)(3)
Real property construction services	E	E			5739.01(X)(3)
Water well drilling (real property)	E	E			5739.01(X)(3)

Transportation Services

Intrastate transportation of persons	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(r)	5739.01(X)
Interstate air courier (billed in-state)	E	E			5739.02(B)(10)
Intrastate courier service	E	5.00%			5739.01(X)
Local transit (intra-city) buses	E	E		5739.01(B)(3)(r)	5739.01(B)(5)
Taxi operations	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(r)	5739.01(B)(5)

Storage

Automotive storage	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Cold storage	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Food storage	E	E			Ohio Const. XII § 3
Fur storage	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Household goods storage	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Mini -storage	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Marina Service (dry docking, storage, cleaning, repair)	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(9)	5739.01(X)
Marine towing service (incl. tugboats)	E	5.00%			5739.01(X)
Packing and crating	E	5.00%			5739.01(X)

Utility Service - Industrial Use

Cellular telephone services	5.50%	5.00%	S.B. 143 (2002)	5739.01(B)(3)(f)	5739.01(X)
Electricity	E	E			5739.02(B)(7)

Interstate telephone & communications (subject to sourcing rules)	5.50%	5.00%	H.B. 171 (1987)	5739.01(B)(3)(f)	5739.01(X)
Intrastate telephone & communications	5.50%	5.00%	H.B. 171 (1987)	5739.01(B)(3)(f)	5739.01(X)
Natural gas (sold by public utility)	E	E			5739.02(B)(7)
Water (including sewer)	E	E			5739.02(B)(7)
Heating oil (other than motor vehicle fuel)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Refuse collection	E	5.00%			5739.01(X)

- Residential Use

Intrastate telephone & communications	5.50%	5.00%	H.B. 171 (1987)	5739.01(B)(3)(f)	5739.01(X)
Cellular telephone services	5.50%	5.00%	S.B. 143 (2002)	5739.01(B)(3)(f)	5739.01(X)
Electricity	E	E			5739.02(B)(7)
Interstate telephone & communications (subject to sourcing rules)	5.50%	5.00%	H.B. 171 (1987)	5739.01(B)(3)(f)	5739.01(X)
Natural gas (sold by public utility)	E	E			5739.02(B)(7)
Water (including sewer)	E	E			5739.02(B)(7)
Heating oil (other than motor vehicle fuel)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Refuse collection	E	E			5739.01(X)(9)

Finance, Insurance and Real Estate

Insurance services (insurance policy purchases remain exempt under 5739.01(X)(5))	E	5.00%			5739.01(X)
Investment counseling	E	5.00%			5739.01(X)
Loan broker fees	E	5.00%			5739.01(X)
Property sales agents (real estate or personal)	E	5.00%			5739.01(X)
Real estate management fees (rental agents)	E	5.00%			5739.01(X)
Real estate title abstract services	E	5.00%			5739.01(X)
Service charges of banking institutions	E	5.00%			5739.01(X)
Tickertape reporting (financial reporting)	E	5.00%			5739.01(X)
Transactions by which consumer obtains insurance	E	E			5739.01(X)(5)

Services

Personal Services

900 Number services (calls to 900 numbers)	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(3)(i)	5739.01(X)
Accounting	E	5.00%			5739.01(X)
Carpet and upholstery cleaning	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(j)	5739.01(X)
Cutting, coloring, styling of hair	E	5.00%			5739.01(X)
Dating services	E	5.00%			5739.01(X)

Debt counseling	E	5.00%			5739.01(X)
Diaper service	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(d)	5739.01(X)
Fishing and hunting guide services	E	5.00%			5739.01(X)
Funeral services	E	5.00%			5739.01(X)
Garment services (altering & repairing)	5.50%	5.00%	1935	5739.01(B)(3)(a)	5739.01(X)
Health, recreation, sports clubs	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(n)+(o)	5739.01(X)
Laundry and dry cleaning services, coin-op	E	5.00%			5739.01(X)
Laundry and dry cleaning services, non-coin op	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(d)	5739.01(X)
Legal services	E	5.00%			5739.01(X)
Mailbox rentals	E	5.00%			5739.01(X)
Massage services (without medical prescription)	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(q)	5739.01(X)
Personal care services	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(q)	5739.01(X)
Personal instruction (dance, golf, tennis, etc.)	E	E			5739.01(X)(2)
Shoe repair	5.50%	5.00%	1935	5739.01(B)(3)(a)	5739.01(X)
Swimming pool cleaning & maintenance	**5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(j)	5739.01(X)
Tanning parlors	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(q)	5739.01(X)
Tax return preparation	E	5.00%			5739.01(X)
Travel agent services	E	5.00%			5739.01(X)

Business Services

Accounting & Bookkeeping	E	5.00%			5739.01(X)
Advertising agency fees (other than ad placement)	E	5.00%			5739.01(X)
Architectural, engineering, and related services	E	5.00%			5739.01(X)
Armored car services	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(3)(h)	5739.01(X)
Bail bond fees	E	5.00%			5739.01(X)
Call center	E	5.00%			5739.01(X)
Check & debt collection	E	5.00%			5739.01(X)
Commercial art and graphic design	E	5.00%			5739.01(X)
Commercial linen supply (rental)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Credit information, credit bureaus	E	5.00%			5739.01(X)
Employment agencies	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(l)	5739.01(X)
Exterminating (includes termite services)	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(m)	5739.01(X)
Interior design and decorating	E	5.00%			5739.01(X)
Legal services	E	5.00%			5739.01(X)

Lobbying and consulting	E	5.00%			5739.01(X)
Magazine subscriptions	E	5.00%			5739.01(X)
Mailroom services	E	5.00%			5739.01(X)
Maintenance and janitorial services	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(j)	5739.01(X)
Management consultant services	E	5.00%			5739.01(X)
Marketing	E	5.00%			5739.01(X)
Packing and crating	E	5.00%			5739.01(X)
Photo finishing	5.50%	5.00%	S.B. 376 (1959)	5739.01(B)(4)	5739.01(X)
Photocopying services	5.50%	5.00%	S.B. 376 (1959)	5739.01(B)(4)	5739.01(X)
Printing	5.50%	5.00%	S.B. 376 (1959)	5739.01(B)(4)	5739.01(X)
Private investigation (detective) services	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(3)(h)	5739.01(X)
Process server fees	E	5.00%			5739.01(X)
Sales of advertising time or space:					
Billboards	E	5.00%			5739.01(X)
Magazine	E	5.00%			5739.01(X)
Newspaper	E	5.00%			5739.01(X)
Radio & television, local advertising	E	5.00%			5739.01(X)
Radio & television, national advertising	E	E			5739.02(B)(10)
Public relations, management consulting	E	5.00%			5739.01(X)
Secretarial and court reporting services (excludes temporary hiring)	E	5.00%			5739.01(X)
Security services	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(3)(h)	5739.01(X)
Sign construction and installation	5.50%	5.00%	1935	5739.01(B)(3)(b)	5739.01(X)
Telemarketing services on contract	E	5.00%			5739.01(X)
Telephone answering service	E	5.00%			5739.01(X)
Temporary help agencies	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(k)	5739.01(X)
Test laboratories (excluding medical)	E	5.00%			5739.01(X)
Tire recapping and repairing	5.50%	5.00%	1935	5739.01(B)(3)(a)	5739.01(X)
Travel agent services	E	5.00%			5739.01(X)
Window cleaning	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(j)	5739.01(X)

Computer:

Software - pre-written	5.50%	5.00%	Administrative rule	5739.01(B)(1)	5739.01(B)(1)
Data processing services (only if used in business)	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)
Information services (only if used in business)	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)

Internet Service Providers-Dialup (only if used in business)	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)
Internet Service Providers-DSL or other broadband (only if used in bus	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)
Mainframe computer access and processing serv. (only if used in business)	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)
Software - custom programs - programming	E	5.00%			5739.01(X)
Software - modifications to pre-written program	E	5.00%			5739.01(X)

Computer Online Services:

Online Data processing services (only if used in business)	5.50%	5.00%	H.B. 291 (1983)	5739.01(B)(3)(e)	5739.01(X)
Books - Downloaded	E	5.00%			5739.01(B)(6)
Movies/Digital Video - Downloaded	E	5.00%			5739.01(B)(6)
Music - Downloaded	E	5.00%			5739.01(B)(6)
Other Electronic Goods - Downloaded	E	5.00%			5739.01(B)(6)
Software - pre-written & downloaded	5.50%	5.00%	Case law	5739.01(B)(3)(e)	5739.01(X)

Automotive Services

Auto service	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(c)	5739.01(X)
Automotive road service and towing services	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(s)	5739.01(X)
Automotive washing and waxing	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(c)	5739.01(X)
Parking lots & garages	E	5.00%			5739.01(X)

Admissions & Amusements

Admission to cultural events	E	5.00%			5739.01(X)
Admission to professional sports events	E	5.00%			5739.01(X)
Admission to school and college sports events	E	***5.00%			5739.01(X)
Amusement park admission & rides	E	5.00%			5739.01(X)
Billiard parlors	E	5.00%			5739.01(X)
Bowling alleys	E	5.00%			5739.01(X)
Cable TV services	E	5.00%			5739.01(X)
Circuses and fairs -- admission and games	E	5.00%			5739.01(X)
Coin operated video games	E	5.00%			5739.01(X)
Membership fees in private clubs.	5.50%	5.00%	H.B. 904 (1993)	5739.01(B)(3)(o)	5739.01(X)
Pari-mutuel racing events.	E	5.00%			5739.01(X)
Pinball and other mechanical amusements	E	5.00%			5739.01(X)
Rental of films and tapes by theaters	E	5.00%			5739.01(X)

Rental of video tapes for home viewing	5.50%	5.00%		5739.01(B)(1)	5739.01(B)(1)
Satellite TV (direct to consumers)	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(p)	5739.01(X)

Professional Services

Accounting and bookkeeping	E	5.00%			5739.01(X)
Architects	E	5.00%			5739.01(X)
Attorneys	E	5.00%			5739.01(X)
Credit rating svc	E	5.00%			5739.01(X)
Data Mining Services	E	5.00%			5739.01(X)
Dentists	E	E			5739.01(X)(1)
Engineers	E	5.00%			5739.01(X)
Land surveying	E	5.00%			5739.01(X)
Medical test laboratories	E	E			5739.01(X)(1)
Nursing services out-of-hospital	E	E			5739.01(X)(1)
Physicians	E	E			5739.01(X)(1)
Public Relations	E	5.00%			5739.01(X)
Sound recording	E	5.00%			5739.01(X)
Stenographic services	E	5.00%			5739.01(X)

Leases and Rentals

Aircraft rental to individual pilots, long term (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Aircraft rental to individual pilots, short term (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Bulldozers, draglines and const. mach., long term (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Bulldozers, draglines and const. mach., short term (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Hotels, motels, lodging houses	5.50%	5.00%	S.B. 376 (1959)	5739.01(B)(2)	5739.01(B)(2)
Intrastate chartered flights (with pilot)	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(r)	5739.01(B)(5)
Limousine service (with driver)	5.50%	5.00%	H.B. 95 (2003)	5739.01(B)(3)(r)	5739.01(B)(5)
Long term automobile lease (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Personal property, long term (generally)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Personal property, short term (generally)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Rental of hand tools to licensed contractors.	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Short term automobile rental (without operator)	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Trailer parks - overnight	E	5.00%			5739.01(X)

Fabrication, Installation and Repair Services

Custom fabrication labor	5.50%	5.00%	H.B. 694 (1937)	5739.01(B)(5)	5739.01(B)(7)
Custom meat slaughtering, cutting and wrapping	E	E			5739.01(B)(42)(n)
Installation charges - other than seller of goods	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(b)	5739.01(X)
Installation charges by persons selling property	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(b)	5739.01(X)
Labor - repairs or remodeling of real property	E	E			5739.01(X)(3)
Labor - repairs to commercial fishing vessels	E	E			5739.02(B)(42)(d)
Labor charges - repairs other tangible property	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Labor charges - repairs to interstate vessels	E	E			5739.01(B)(10)
Labor charges - repairs to intrastate vessels	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Labor charges on repair of aircraft	E	E			5739.02(B)(49)
Labor charges on repairs delivered under warranty	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Labor charges on repairs to motor vehicles	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Labor charges on repairs to railroad rolling stock	E	E			5739.02(B)(14)
Labor on radio/TV repairs; other electronic equip.	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Repair labor, generally	5.50%	5.00%	H.B. 694 (1981)	5739.01(B)(3)(a)	5739.01(X)
Repair material, generally	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)
Service contracts sold at the time of sale of TPP.	5.50%	5.00%	H.B. 298 (1991)	5739.01(B)(7)	5739.01(X)
Taxidermy	5.50%	5.00%	1935	5739.01(B)(1)	5739.01(B)(1)

*Sales tax is imposed on services under proposed R.C. 5739.01(B)(3) and proposed R.C. 5739.01(X) defines "service."

**Indoor swimming pool cleaning and maintenance is currently taxable.

**R.C. 5739.02(B)(9)(a) + (b) concerns exemptions for sales of certain services by churches, charities, and school organizations that will continue under proposed law.

Wednesday, February 6, 2013.