

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5703-41-01

Rule Type: Amendment

Rule Title/Tagline: Filing of returns and payments by electronic means.

Agency Name: Department of Taxation

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 10/18/2023
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119
4. **What statute(s) grant rule writing authority?** 5703.05, 718.80, 718.051, 718.851
5. **What statute(s) does the rule implement or amplify?** 718.051, 718.851
6. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
 - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

The rule was reviewed as part of the five year rule review process.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The rule provides guidance for the electronic filing and payment of municipal net profit tax returns and advises of the procedures for taxpayers who wish to be excused from electronic filing or payment. Non-substantive changes are proposed for the rule to remove unnecessary language and improve readability.

9. **Does the rule incorporate material by reference? No**
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

11. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

Not Applicable.

13. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable.

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

16. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable.

III. Common Sense Initiative (CSI) Questions

17. Was this rule filed with the Common Sense Initiative Office? Yes

18. Does this rule have an adverse impact on business? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

The rule prescribes how a taxpayer must file and pay municipal net profits taxes electronically, but technically does not require the report of information. Also, the electronic filing software (i.e., the Ohio Business Gateway) does not charge for its services.

D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

A. How many new regulatory restrictions do you propose adding to this rule? 0

B. How many existing regulatory restrictions do you propose removing from this rule? 7

5703-41-01(A) Except as provided in paragraph (C) of this rule, any taxpayer subject to municipal income taxation with respect to the taxpayer's net profit from a business or profession that uses the Ohio business gateway to file a municipal net profit tax

return, an extension for filing a municipal net profit tax return, or a declaration of
of
estimated taxes, or that uses the Ohio business gateway to make payment of
amounts shown to be due on such returns and declarations, shall file such tax
returns, extensions, and declarations and shall make payments in accordance
with
the guidance published on the Ohio business gateway website at
<http://www.business.ohio.gov>. (removing one "shall").

5703-41-01 (B) Except as provided in paragraph (D) of this rule, a taxpayer that
made an election
under section 718.80 of the Revised Code shall file all tax returns, extensions
for
filing tax returns, and declarations of estimated taxes, and shall make payment
of
amounts shown to be due on such returns and declarations, electronically,
either
through the Ohio business gateway or in another manner as prescribed by the tax
commissioner. Payments made through the treasurer of state shall be made
in the
manner prescribed by the rules adopted by the treasurer of state under section
113.061 of the Revised Code. (removing one "shall").

5703-41-01(D)(1) As authorized by division (B) of section 718.851 of the
Revised Code, a
taxpayer that made an election under section 718.80 of the Revised Code may
apply to the tax commissioner to be excused from the requirement to
file returns and make payments electronically. (removing "requirement" by
updating verbiage).

5703-41-01(D)(1) A form prescribed for such purpose shall be posted on the
department of
taxation's website. (changing "shall" to "will")

5703-41-01(D)(2) The commissioner shall notify the person in writing of the
commissioner's
decision. (changing "shall" to "will")

5703-41-01(D)(2) Unless an earlier date is specified in the notice, the excuse
shall

continue to apply until revoked in writing by the commissioner. (removing "shall" by updating verbiage)

5703-41-01(E) Nothing in this rule affects any taxpayer's obligation to timely file all returns and timely pay all amounts required by Chapter 718. of the Revised Code. (changing "required by" to "pursuant to")

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable