

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5703-41-02

Rule Type: New

Rule Title/Tagline: Joint economic development zones and joint economic development districts.

Agency Name: Department of Taxation

Division:

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I. Rule Summary

1. **Is this a five year rule review?** No
 - A. **What is the rule's five year review date?**
2. **Is this rule the result of recent legislation?** Yes
 - A. **If so, what is the bill number, General Assembly and Sponsor?** HB 49 - 132 - Representative Ryan Smith
3. **What statute is this rule being promulgated under?** 119
4. **What statute(s) grant rule writing authority?** 5703.05, 718.80
5. **What statute(s) does the rule implement or amplify?** 718.80, 718.83
6. **What are the reasons for proposing the rule?**

This rule is required to obtain information needed to administer the municipal net profit tax on behalf of JEDDs and JEDZs. Information about JEDDs and JEDZs is not readily available or easily obtainable from any one source and up-to-date information will be necessary to administer the tax.

- 7. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule is applicable to joint economic development districts (JEDDs) and joint economic development zones (JEDZs)—not taxpayers. This rule requires the board of directors of JEDDs and JEDZs to provide the tax commissioner with documents and information necessary for the administration of the municipal net profit tax on behalf of the JEDDs and JEDZs and indicates that the tax commissioner will distribute any tax collections received to the municipal corporation identified by the JEDD/JEDZ as the municipal corporation responsible for collecting the tax.

- 8. Does the rule incorporate material by reference? No**
- 9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

- 10. 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

- 11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

This will have no impact on revenues or expenditures.

0.00

Not applicable.

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

Not applicable.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? Yes
16. Does this rule have an adverse impact on business? No
 - 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 requires JEDDs and JEDZs to provide information to the Commissioner.