

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 5703-41-03

**Rule Type:** New

**Rule Title/Tagline:** Change in taxable year and declaration of estimated taxes for short taxable years.

**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 - Rep. 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?** 718.88
6. **What are the reasons for proposing the rule?**

This rule is necessary to require taxpayers with short taxable years to file declarations of estimated taxes and to require taxpayers to advise the Department of any change in taxable year.

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

This rule provides guidance for taxpayers that have a short taxable year as to when a declaration of estimated taxes must be filed and provides that taxpayers must notify the tax commissioner if they change their taxable year.

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.

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No impact.

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

No impact.

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 a report to the Commissioner if taxpayers change their taxable year.