

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5703-1-15

Rule Type: New

Rule Title/Tagline: Electronic software providers; approval and suspension.

Agency Name: Department of Taxation

Division:

Address: 30 East Broad Street 22nd floor Columbus OH 43215

Contact: Kerrie Ryan

Email: Kerrie.Ryan@tax.state.oh.us **Phone:** 614-466-1956

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?** No
3. **What statute is this rule being promulgated under?** 119
4. **What statute(s) grant rule writing authority?** 5703.05
5. **What statute(s) does the rule implement or amplify?** 5703.054, 5703.059, 5747.082
6. **What are the reasons for proposing the rule?**

This rule was created as part of the five-year rule review process. The new rule applies to all taxes that the commissioner administers, and thus will allow for Ohio MeF approval relating to the municipal net profit tax.

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

The rule is being proposed to replace 5703-7-20, which is proposed to be rescinded. Both prescribe the application process to become an Ohio e-file provider. Both rules also list the reasons for which the tax commissioner can revoke or suspend a

provider. The difference is that the rule that is being rescinded only applied to Ohio's individual income tax. However, the new rule applies to all taxes that the commissioner administers, and thus will allow for Ohio MeF approval relating to the municipal net profit 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.**

Revising to change answer to #16(A) and (B) of RSFA to reflect that the rule imposes prior authorization requirements for Ohio's e-filing program and potential penalties associated with that authorization.

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? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? Yes

The rule requires prior authorization as provider for Ohio's e-filing program.

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? Yes

The rule may impose penalties for noncompliance with its terms.

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

The rule requires the filing of an electronic report as a condition of compliance.