

**Rule Summary and Fiscal Analysis (Part A)****Department of Taxation**

Agency Name

Division

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**5703-29-02**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Application of common owners and joint ventures.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB66**General Assembly: **126**Sponsor: **Calvert**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **5703.14**

4. Statute(s) authorizing agency to adopt the rule: **5703.05**

5. Statute(s) the rule, as filed, amplifies or implements: **5751.011, 5751.012**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

To provide guidance for taxpayers regarding the new commercial activities tax(CAT).

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

Provides detailed explanation of filing requirements for "Common Owners" and

Joint Ventures.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

The Internal Revenue Code sections are generally available in libraries of general circulation, any law libraries (i.e. schools, courts, and on the Internet. The Internet site is <http://www.irs.gov/taxpros/index.html>

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not applicable

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

*Not Applicable.*

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

ODT originally sent out the draft proposed rules to Ohio tax practitioners for their comments. The change in this rule, to delete the phrase "to the extent it has tax liability from the joint venture" (located in paragraph (E) of the rule after the word "owner" in the second from the last sentence of the paragraph) is a response to the comments. The result is a more broad and more taxpayer friendly approach toward the treatment of gross receipts for joint ventures. In addition, there were some technical changes made (i.e. grammar, capitalization).

12. 119.032 Rule Review Date: **Exempt**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

**FISCAL ANALYSIS**

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

0.00

"Not Applicable."

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

"Not Applicable."

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

"Not Applicable."

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**