

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

Agency Name

Division

Fred Nicely

Contact

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5703-29-04

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

**Excluded Person -- Consolidated Elected and Combined
Taxpayer Groups.****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: **5751.01, 5751.011, 5751.012**

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

This rule is to clarify who is required to be a taxpayer in certain situations when a consolidated elected or combined taxpayer group under R.C. 5751.011 or 5751.012 fall under the \$150,000 threshold.

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:

The rule states the different treatment of combined organizations and consolidated elected organizations when those companies no longer have \$150,000 in taxable gross receipts. For combined entities, there is no requirement to pay the flat minimum tax of \$150. However, when the combined entity reaches \$150,000 in taxable gross receipts, they must register and be subject to the CAT. For consolidated entities, they must pay the minimum tax of \$150 even when they fall below the \$150,000 in taxable gross receipts.

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 references are to other sections of the Ohio Revised Code (ORC). The ORC is available on-line as well as at libraries, law libraries and through Page's Ohio Revised Code Annotated.

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:

It is infeasible to attach Chapter 57 of the ORC in its entirety.

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:

Not Applicable.

12. 119.032 Rule Review Date:

(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:

Indeterminate at this time because the bill is new.

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**