

5703-29-08

Request for member of a combined taxpayer group to file separately.

(A) This rule provides the procedure that a member of a combined taxpayer group under section 5751.012 of the Revised Code must follow to file as a separate taxpayer and not as part of the combined group.

(B)

(1) A member that is not the primary taxpayer of a combined taxpayer group, together with the primary taxpayer of the group, may contact the tax commissioner and request approval that the member be allowed to file separately from the group. For the member to file separately, the member and the primary taxpayer must agree to all of the following:

(a) The member will not claim any of the group's exclusion of one million dollars for calendar year taxpayers or two hundred fifty thousand dollars for calendar quarter taxpayers, and is not entitled to claim any exclusion of the member's taxable gross receipts on its own behalf.

(b) The member will file as a separate taxpayer and will be subject to the applicable tax rate on all of the member's taxable gross receipts without any exclusion. For example, for the semiannual period July 1, 2005 through December 31, 2005, if a member had thirty thousand dollars of taxable gross receipts, the tax would be eighteen dollars, the rate of six one-hundredths percent times the entire thirty thousand dollars of taxable gross receipts.

(c) The member is financially sound and currently able to pay the commercial activity tax and other obligations as determined by the commissioner.

(d) The member remains jointly and severally liable for the group's tax liability.

(2) The commissioner shall provide a copy of the commissioner's written denial or approval to both the member requesting to file separately and to the primary taxpayer of the combined group. If approved, the separate filing shall start at the beginning of the next tax period for the combined taxpayer, absent special approval to the contrary. The commissioner, upon request, may grant special approval for the separate filing to begin with the current tax period.

(3) The commissioner may prescribe a form to apply to file separately from the group as provided by this rule.

(C) The Tax Commissioner may revoke separate filing approval at any time.

Effective:

R.C. 119.032 review dates:

Certification

Date

Promulgated Under:	5703.14
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