Rule Summary and Fiscal Analysis
Part A - General Questions

Rule Number: 5703-9-03

Rule Type: Amendment

Rule Title/Tagline: Sales and use tax; exemption certificate forms.

Agency Name: Department of Taxation

Division:

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

Contact: Kerrie Ryan **Phone:** 614-466-1956

Email: Kerrie.Ryan@tax.state.oh.us

I. Rule Summary

1. **Is this a five year rule review?** Yes

   A. **What is the rule's five year review date?** 5/1/2020

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?** 5739.01, 5739.02, 5739.03, 5741.02

6. **What are the reasons for proposing the rule?**

   The rule is being reviewed as part of the five year rule review process.

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

   R.C. 5739.03 requires all vendors to collect and remit sales tax on all taxable sales unless the vendor obtains from the consumer a fully completed exemption certificate. A vendor that obtains a fully completed exemption certificate is relieved from the liability to collect sales tax on the transactions covered by the exemption certificate. This rule sets forth the information that a consumer must provide on an exemption certificate. It also advises the vendor and consumer that exemption certificate forms are available on the Department's website. The rule is being amended to reflect a date change to the revision date of the Certificate of Exemption form.

8. **Does the rule incorporate material by reference?** Yes

9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

   The form titled "Certificate of Exemption - Streamlined Sales and Use Tax Agreement" and referenced in paragraph (E) of this rule is available on the Department's website http://www.tax.ohio.gov/Forms.aspx.

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. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

    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

15. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

    Not applicable.

III. Common Sense Initiative (CSI) Questions

16. **Was this rule filed with the Common Sense Initiative Office?** No

17. **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?** No

    D. **Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies?** No

IV. Regulatory Restrictions (This section only applies to agencies indicated in R.C. 121.95 (A))

18. **Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95?** No

    A. **How many new regulatory restrictions do you propose adding?**

       Not Applicable

    B. **How many existing regulatory restrictions do you propose removing?**

       Not Applicable