

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:

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I. Rule Summary

1. Is this a five year rule review? Yes

A. What is the rule's five year review date? 8/27/2025

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. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No

A. If so, what is the citation to the federal law or rule? Not Applicable

7. What are the reasons for proposing the rule?

This rule was reviewed as part of the five-year rule review process.

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

The rule 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. This rule was updated with grammatical changes and clarifying the year of the Certificate of Exemption - Streamlined Sales and Use Tax Agreement.

- 9. Does the rule incorporate material by reference? Yes**
- 10. 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 forms referenced in the rule are available at the Department's website at <https://tax.ohio.gov/individual/get-a-form>.

- 11. 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

- 12. 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.

- 13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable.

- 14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**
16. **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

17. **Was this rule filed with the Common Sense Initiative Office? No**
18. **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 Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. **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 to this rule?**

Not Applicable
 - B. **How many existing regulatory restrictions do you propose removing from this rule?**

Not Applicable

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

Not Applicable

- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable