

**MEMORANDUM**

TO: Kerrie Ryan, Ohio Department of Taxation

FROM: Emily Kaylor, Director of Regulatory Policy

DATE: March 14, 2018

RE: **CSI Review – Sales and Use Taxes Five-Year Review (OAC 5703-9-30, 5703-9-39 through 5703-9-46, 5703-9-48, and 5703-9-50)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package from the Ohio Department of Taxation consists of five no-change and six amended rules submitted for their statutorily-required five-year review. The rule package was submitted to the CSI Office on November 20, 2017. The public comment period ended on December 8 with no comments received.

The rules provide guidance on various sales and use taxes administered by the Department. Amendments are made to correct grammatical errors, update a court decision, comply with a new form, and address the implementation of the supplemental nutrition assistance program's other forms of currency.

During early stakeholder outreach, the Department received two comments but it notes in the BIA that neither was related to this rulemaking. No comments were received during CSI review.

The BIA explains that the rules impact sales and use taxpayers, but that there is no adverse impact. However, since the rules describe when an item or entity is liable for taxation, there is some adverse impact created as they must report and pay the tax in addition to keeping accurate

records to remain in compliance. These costs are necessary as statute requires the Department to administer sales and use taxes in the State of Ohio.

Recommendations

For the reasons explained above this office does not have any recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Ohio Department of Taxation should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.