



Peter A. Cooper

Bill Analysis
Legislative Service Commission

H.B. 227

123rd General Assembly
(As Introduced)

Reps. Myers, Buchy, Sulzer, Taylor, Brading, Young, Van Vyven, Evans, Krebs, Logan, Willamowski, Callender, Metzger, Hood, Maier, Harris, Padgett, Tiberi, Wilson

BILL SUMMARY

- Increases the discount that the state gives to vendors to encourage them to remit their sales tax collections to the state on time.

CONTENT AND OPERATION

Increase vendor prompt payment "discount"

(sec. 5739.12)

The sales and use taxes imposed by the state, counties, and transit authorities usually are collected by the vendor that sells the taxable good or service.¹ Vendors must remit the tax and file a return to the state on a monthly basis. (Some vendors may be allowed to file on a less frequent basis, and some may be required to file on a more frequent basis.) Vendors are considered to be the state's agents for the purpose of collecting the tax, and are liable for any tax that is collected from a consumer but not remitted to the state. If a vendor is late in filing a return or remitting the tax, the vendor is subject to a penalty of \$50 or 10% of the tax due, whichever is greater.

To encourage vendors and clerks of court to file returns and remit tax collections on time, the state allows them to retain a percentage of the tax collections they report. The percentage currently is 0.75%.

The bill increases the vendor discount percentage to 1.5%.

¹ In the case of motor vehicle sales, the clerk of courts, who collects the tax when issuing a certificate of title, must remit the tax.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-09-99	p. 274

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