



# Ohio Legislative Service Commission

## Bill Analysis

Erika Padgett

### H.B. 462

130th General Assembly  
(As Introduced)

**Reps.** McGregor, Hayes, Young

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## BILL SUMMARY

- Permits a professional employer organization to file federal taxes in any manner permitted by federal law.

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## CONTENT AND OPERATION

### Federal tax filing

Under continuing law, a "professional employer organization" (PEO) is a business entity that enters into an agreement with one or more client employers for the purpose of coemploying (sharing of the responsibilities and liabilities of being an employer) all or part of the client employer's workforce at the client employer's work site. This arrangement is governed by a PEO agreement, which is a written contract to coemploy employees between a PEO and a client employer with a duration of not less than 12 months in accordance with the requirements of the PEO Law.<sup>1</sup>

The bill permits a PEO to file federal taxes in any manner permitted by federal law.<sup>2</sup> Presumably this provision would allow a PEO to file taxes under the client employer's or the PEO's employer identification number for federal tax purposes, depending upon which method is permitted by federal law. Currently, under rules adopted by the Bureau of Workers' Compensation (which administers and enforces the PEO Law), a PEO must pay and report wages for shared employees under the tax identification number of the PEO for federal tax purposes.<sup>3</sup>

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<sup>1</sup> R.C. 4125.01(B) to (E).

<sup>2</sup> R.C. 4125.031.

<sup>3</sup> Ohio Administrative Code 4123-17-15(D)(2).

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## HISTORY

ACTION

DATE

Introduced

02-26-14

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