



Ohio Legislative Service Commission

Bill Analysis

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S.B. 290

130th General Assembly
(As Introduced)

Sens. Patton, Seitz, LaRose, Uecker

BILL SUMMARY

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

CONTENT AND OPERATION

Professional employer organization federal tax filing

The bill permits a "professional employer organization (PEO) to file federal taxes in any manner permitted by federal law.¹ A 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 Ohio's PEO Law.²

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.³ Presumably the bill 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.

¹ R.C. 4125.031.

² R.C. 4125.01(B) to (E).

³ Ohio Administrative Code 4123-17-15(D)(2).

HISTORY

ACTION

DATE

Introduced

02-26-14

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