

Taxation

H.B. 228

Primary Sponsor: Rep. Roemer

Effective date: February 7, 2022

State administration of municipal net profits taxes

- Requires the Department of Taxation to develop and maintain a web portal to securely exchange information with municipalities for the Department's administering municipal net profits taxes.
- Extends the annual deadline for a taxpayer to opt into or out of remitting those taxes to the state.
- Requires the Tax Commissioner to notify municipalities of the taxpayers that have opted into or out of remitting those taxes to the state.
- Requires a municipality to report certain information about the affiliates of taxpayers opting into remitting those taxes to the state if the taxpayer and affiliates file consolidated returns.
- Modifies the deadline for a municipality to provide taxpayer information to the Department when a taxpayer opts into remitting those taxes to the state.
- Gives the Commissioner discretion on whether to withhold municipal net profits tax collections from a municipality that fails to comply with reporting requirements.
- Requires those taxes, if withheld by the Commissioner, to be paid to the municipality when it complies with reporting requirements.
- Authorizes the Commissioner to refund or carry forward any overpaid municipal net profits taxes without the filing of an application for refund.
- Limits a taxpayer's municipal net profits tax refund to be offset only by outstanding debt or liabilities related to those taxes.
- Repeals a provision invalidated by the Ohio Supreme Court authorizing the Commissioner to retain 0.5% of all municipal net profits taxes the Commissioner collects.
- Expressly authorizes the Attorney General to charge the costs of collecting municipal net profits taxes, interest, and penalties to a taxpayer that owes such amounts.

Municipal income tax retirement deduction

- Authorizes a municipal income tax deduction for pension or retirement benefits paid by a pass-through entity to a retired partner, retired shareholder, or retired member.

Land conveyance

- Authorizes the conveyance of 1.13 acres of state-owned land in Cincinnati, currently held for the benefit of the University of Cincinnati, for \$1.6 million, with the proceeds to be directed to the University.

S.B. 18

Primary Sponsors: Sens. Roegner and Schaffer

Effective date: Emergency: March 31, 2021

- Incorporates into Ohio income tax law changes to federal tax law taking effect since March 27, 2020.
- Exempts the following from the commercial activity tax:
 - “Second draw” Paycheck Protection Program (PPP) loan amounts forgiven under the federal Consolidated Appropriations Act, 2021; and
 - Bureau of Workers’ Compensation dividends paid to employers in 2020 and 2021.
- Authorizes the Tax Commissioner to temporarily abate any interest or penalties for the underpayment of state and school district income taxes due on unemployment benefits received in 2020.
- Allows individuals to elect to have state income tax withheld from their unemployment benefits.
- Sets the rate of a withholding tax paid by certain pass-through entities on a percentage of its nonresident investors’ distributive income equal to the income tax rate on taxable business income, effectively reducing those withholding rates.

S.B. 57

Primary Sponsors: Sens. Hackett and Antonio

Effective date: August 3, 2021

- Authorizes a property tax exemption for certain housing used by individuals diagnosed with mental illness or substance use disorder.
- Authorizes commercial or industrial tenants to file a property valuation complaint if their lease requires them to pay the property taxes charged against the property and the lease or their landlord authorizes them to file the complaint.
- Authorizes a county board of revision, pursuant to a valuation complaint filed for tax year 2020, to value a property for tax purposes as of October 1, 2020, instead of January 1, 2020, if its value is reduced due to COVID-19-related circumstances or state orders.
- Waives the rule barring multiple valuation complaints from being filed in the same triennial valuation period for these tax year 2020 COVID-19-related complaints and

complaints filed for tax year 2021 or 2022 that only allege a value reduction due to COVID-19-related circumstances or orders.

- Specifies that tax increment financing (TIF) service payment obligation agreements between a property owner and a local government are enforceable against subsequent property owners.