

## Income/Franchise:

### Ohio: Guidance Issued on Financial Institution Tax Decrease for Some Newly Formed Banks

*FIT 2021-01 – Financial Institutions Tax: De Novo Bank Organizations*, Ohio Dept. of Tax. (6/21). The Ohio Department of Taxation (Department) issued an information release reflecting legislation enacted earlier this year [see H.B. 150 (2020) for more details on this new law] that authorizes an Ohio financial institution tax (FIT) decrease of up to \$1 million per year for certain newly formed banks (*i.e.*, defined “de novo bank organizations”) for the first three years of their operation – specifically those that first begin operations in taxable year 2021 or any taxable year thereafter. According to the Department, the first FIT estimated payment potentially affected by this new de novo bank organization tax reduction is due January 31, 2022, and the first FIT report impacted by this new de novo bank organization tax reduction will be the tax year 2022 FIT report due October 17, 2022. The Department also explains how such banks must register, file, and pay the FIT, as well as includes some example calculations. Please contact us with any questions.

**URL:** [https://tax.ohio.gov/static/fit/web%20page%20related/fit\\_2021-01-de\\_novo\\_bank\\_organizations.pdf](https://tax.ohio.gov/static/fit/web%20page%20related/fit_2021-01-de_novo_bank_organizations.pdf)

**URL:** <https://www.legislature.ohio.gov/legislation/legislation-status?id=GA133-HB-150>

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