

Gross Receipts/Other Miscellaneous:

Ohio: Budget Bill Revises Commercial Activity Tax Gross Receipts Computation

H.B. 110, passed House and Senate 6/28/21. Ohio's budget bill, which Ohio Governor Mike DeWine is expected to sign into law, incorporates numerous Ohio tax law changes – impacting Ohio tax withholding, income tax, sales and use tax, property tax and commercial activity tax. With regard to the commercial activity tax, the legislation requires it to be based on preceding year Ohio taxable gross receipts, rather than current year gross receipts.

URL: <https://www.legislature.ohio.gov/legislation/legislation-status?id=GA134-HB-110>

The legislation also extends through December 31, 2021, an emergency law that temporarily allows businesses to withhold Ohio municipal income taxes based on an employee's principal place of work, rather than where the employee is temporarily working on account of the COVID-19 pandemic. Another significant component of the legislation lowers Ohio personal income tax rates across rate brackets and includes elimination of the highest rate bracket, resulting in a top personal income tax rate of 3.99%.

See forthcoming Multistate Tax Alert for more details on this legislation, and please contact us with any questions in the meantime.

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