

Gross Receipts/Other Miscellaneous: Ohio Budget Bill Revises Minimum Tax Computation for CAT

H.B. 110, signed by gov. 6/30/21. Ohio's recently signed budget bill incorporates numerous Ohio tax law changes: impacting Ohio tax withholding, income tax, sales and use tax, property tax and commercial activity tax (CAT). With regard to the CAT, the legislation requires the CAT minimum tax to be based on preceding year Ohio taxable gross receipts, rather than current year gross receipts [note that *State Tax Matters*, Issue 2021-27 and *State Tax Matters*, Issue 2021-26, failed to specify that this revised CAT gross receipts computation applies only for purposes of calculating the CAT minimum tax].

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

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210709_8.html

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210702_12.html

As previously reported, 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 recently issued Multistate Tax Alert for more details on this legislation, and please contact us with any questions.

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-ohio-enacts-budget-bill-impacting-income-and-indirect-taxes.pdf>

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