

Income/Franchise:

Ohio: New Law Addresses Centralized Filing of Business Municipal Taxes and Codifies Policies

H.B. 228, signed by gov. 11/5/21. Addressing the centralized administration and collection of Ohio's local-level municipal net income taxes, which was first enacted in 2017 [see *H.B. 49 (2017)*, and previously issued Multistate Tax Alert for more details on this 2017 legislation] and subsequently upheld in a 2020 Ohio Supreme Court decision [see previously issued Multistate Tax Alert for more details on this 2020 case], recently signed Ohio legislation requires the Ohio Department of Taxation (Department) to develop and maintain a web portal for use by the Department and municipalities to securely share information for purposes of administering such taxes (thus codifying the existing practice). The legislation also modifies several deadlines and reporting requirements related to the state-administered municipal net profits taxes, and it revises procedures for refunds and the distribution of revenue from such taxes. Furthermore, the bill repeals a provision authorizing the Department to retain 0.5% of all collected municipal net profits taxes (thus codifying a portion of the 2020 Ohio Supreme Court decision). Many of these law changes are effective for taxable years beginning on or after January 1, 2022. Please contact us with any questions.

URL: <https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA134-HB-228>

URL: <https://www.legislature.ohio.gov/legislation/legislation-status?id=GA132-HB-49>

URL: <https://www2.deloitte.com/us/en/pages/tax/articles/ohio-fiscal-year-2018-2019-budget-bill-enacted.html?id=us:2em:3na:stm:awa:tax:111221&sfid=7015Y000003WdIIQA0>

URL: <https://www2.deloitte.com/us/en/pages/tax/articles/ohio-supreme-court-upholds-centralized-collection-system-for-net-profits-taxes.html?id=us:2em:3na:stm:awa:tax:111221&sfid=7015Y000003WdIIQA0>

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