



Commercial Activity Tax

CAT 2005-12 – Request for Member of a Combined Taxpayer Group to File Separately – Issued December 2005; Updated December 2023

Introduction

This rule allows a member to request to file separately from the combined taxpayer group if the group member agrees to certain conditions. The rule was amended because of changes to the commercial activity tax enacted by the 135th General Assembly in Am. Sub. H.B. 33. The amended rule is final and effective December 21, 2023.

Rule 5703-29-08 Request for member of a combined taxpayer group to file separately.

(A) This rule provides the procedure that a member of a combined taxpayer group under section 5751.012 of the Revised Code needs to follow to file as a separate taxpayer and not as part of the combined group.

(B)(1) A member that is not the reporting person of a combined taxpayer group, together with the reporting person of the group, may contact the tax commissioner and request approval that the member be allowed to file separately from the group. For the member to file separately, the member and the reporting person need to agree to all of the following:

(a) The member will not claim any of the group's annual exclusion amount and is not entitled to claim its own annual exclusion amount. For calendar years prior to 2024, the exclusion amount is one million dollars. For calendar year 2024, the exclusion amount is three million dollars. For calendar year 2025 and thereafter, the exclusion amount is six million dollars.

(b) The member will file as a separate taxpayer and will be subject to the applicable tax rate on all of the member's taxable gross receipts. For example, for the period July 1, 2015 through December 31, 2015, if a member had thirty thousand dollars of taxable gross receipts, the tax would be seventy-eight dollars, the rate of twenty-six one-hundredths percent times the entire thirty thousand dollars of taxable gross receipts.

(c) The member is financially sound and currently able to pay the commercial activity tax and other obligations as determined by the commissioner.



- (d) The member remains jointly and severally liable for the group's tax liability.
- (2) The commissioner will provide a copy of the commissioner's written denial or approval to both the member requesting to file separately and to the reporting person of the combined taxpayer group. If approved, the separate filing will start at the beginning of the next tax period for the combined taxpayer. The commissioner, upon request, may grant special approval for the separate filing to begin with the current tax period.
- (3) The commissioner may prescribe a form to apply to file separately from the group as provided by this rule.
- (C) The tax commissioner may revoke separate filing approval at any time.

Contact Us

Please visit tax.ohio.gov/FAQ to view our frequently asked questions or direct any questions you may have to the Business Tax Division of the Ohio Department of Taxation at 1-888-722-8829. For persons using text telephones (TTYs) or adaptive telephone equipment, please contact the Ohio Relay Service at 1-800-750-0750 and give the operator the Ohio Department of Taxation's telephone number.