



**Department of
Taxation**



2024 Ohio Small Business **Tax Guide**



**Department of
Taxation**

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Ohio Small Business Tax Guide



**Department of
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The Ohio Department of Taxation (the Department) is committed to helping businesses succeed by making Ohio's tax system as user-friendly as possible.

This document provides an overview of the most common business taxes, why a business is required to register, filing requirements, and due dates. Depending on your business activity, you may need to register for one or more of the Ohio taxes listed below:

- Employer Withholding and School District Withholding Taxes
- Sales Tax
- Use Tax
- Commercial Activity Tax (CAT)
- Next Generation (NG) 9-1-1 Access Fee
- Petroleum Activity Tax (PAT)
- Financial Institutions Tax (FIT)
- Pass Through Entity (PTE)



* This list is not all inclusive. For a complete list of taxes administered by the Department and additional information, please visit the Department's website at tax.ohio.gov.

Businesses may sign up to receive tax alerts via e-mail. These tax alerts include reminders of when returns and payments are due, advise taxpayers on tax law changes, and provide communications pertaining to Ohio taxes. To use this service, sign up on the [Department's website, www.tax.ohio.gov](https://www.tax.ohio.gov).



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Additional State of Ohio Agencies

Establishing a business entity in the state of Ohio requires notification / registration with several State of Ohio agencies. Please see listing and contact information below:

- The first step is contacting the Ohio Secretary of State. For additional information and requirements please visit ohiosos.gov or call 1-877-767-6446 for assistance.
- Businesses with employees must have an active workers' compensation policy to insure coverage for those employees against a workplace injury. For additional information and requirements please visit the Ohio Department of Bureau of Workers' Compensation's website at bwc.ohio.gov/or call 1-800-644-6292 for assistance.
- Under the Ohio Unemployment Compensation Law, most employers are required to pay unemployment compensation taxes and report wages paid to their employees on a quarterly basis to the Ohio Department of Job and Family Services. For additional information and requirements please visit the Ohio Department of Job and Family Services' website or call 1-614-466-2319 for assistance.
- The Ohio Department of Commerce is the state's chief regulatory agency. This agency issues nearly 600,000 licenses, permits, registrations and certifications each year. This includes liquor permits which are issued by the Division of Liquor Control Licensing. For additional information and requirements please visit com.ohio.gov or call 1-614-466-3636 for assistance.
- As a new business entity in the state of Ohio, you may also want to contact the Department of Development (ODOD) as they work to support Ohio's businesses, large and small. For additional information about ODOD please visit development.ohio.gov or call 1-800-848-1300.



Employer Withholding & School District Withholding Taxes



Overview

Employers must withhold Ohio income tax from the paychecks of their employees who work in Ohio. This includes employees who work from home in Ohio, employees who work from the business's Ohio location, and most out-of-state employees who travel to Ohio for work from states other than Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia.

Employers must also deduct and withhold school district income tax from their employees' paychecks if the employee lives in a taxing school district. School district income tax is separate from federal, state, and city income taxes and is allocated specifically to support school districts. Voters in a school district must approve a school district income tax.

Employer Withholding & School District Withholding Taxes



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Who Must Register and Withhold?

All employers maintaining an office or transacting business in Ohio, hiring people to work in Ohio (including remote or telework), and required to withhold federal income tax must register by completing the “Ohio Withholding Registration” transaction online using the Gateway at gateway.ohio.gov. Employers must have a Federal Identification Number in order to register for Ohio employer and school district withholding tax.

An Ohio employer withholding account number will be assigned to new withholding agents upon registration. Employers liable for the school district withholding tax will use the same account number they use for Ohio employer withholding. All subsequently filed tax returns, forms, and correspondence submitted to the Department should reflect this account number.

Note: All employers who become liable for withholding Ohio income tax must register within 15 days of when such liability begins.

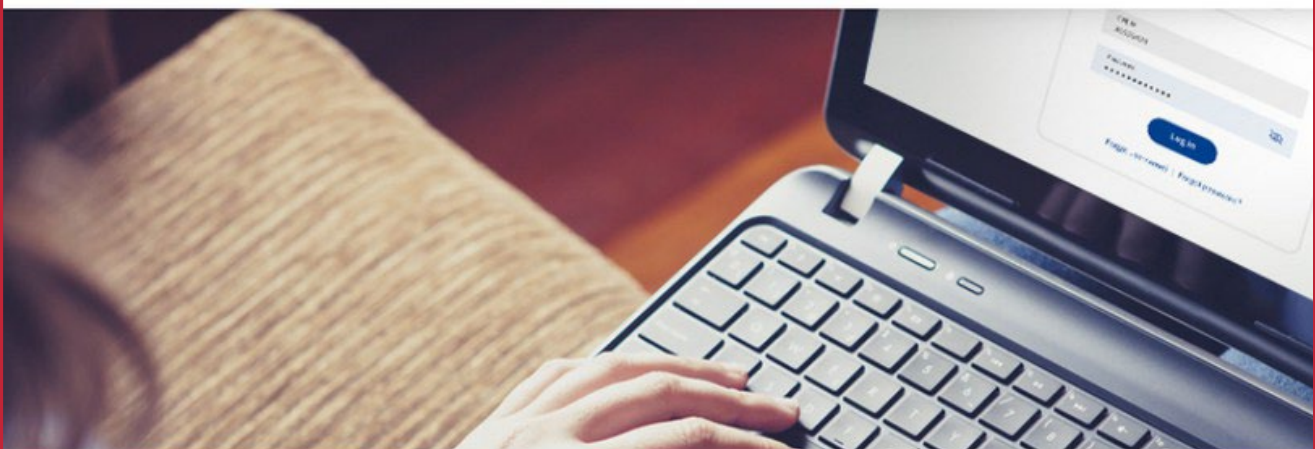


GETTING
STARTED

SERVICES &
TRANSACTIONS

BULK
FILING

ABOUT
US





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Employer Withholding & School District Withholding Taxes



Who Must Register and Withhold?

Withholding is not required if the compensation is paid for or to:

- Agricultural labor (i.e., farmers)
- Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority
- An employee earning less than \$300 in a calendar quarter
- Services performed for a foreign government or international organization
- When the employee is under age 18 and sells and delivers newspapers
- Services not in the course of the employer's trade or business to the extent paid in any medium other than cash
- Employees who live in Indiana, Kentucky, Michigan, Pennsylvania, or West Virginia. Such employees must complete the Ohio IT 4 Employee's Withholding Exemption Certificate and select the applicable option in section 3.

Employer Withholding & School District Withholding Taxes



Filing Requirements

- Employers are required to file and pay employer and school district withholding taxes electronically using the Gateway at gateway.ohio.gov. Employer Withholding IT 501 payments can alternatively be submitted through the Ohio Treasury of State (TOS). School district withholding payments **cannot** be made through TOS.
- **Ohio IT 4, Employee's Withholding Exemption Certificate** – Each employee must complete the Ohio IT 4 to determine their withholding amount. If the employee does not fill out an IT 4, the employer must withhold tax from the employee's compensation based on "0" exemptions claimed. This form does not need to be filed with the Ohio Department of Taxation, but should instead be kept for the employer's records.



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Employer Withholding & School District Withholding Taxes

Filing Requirements



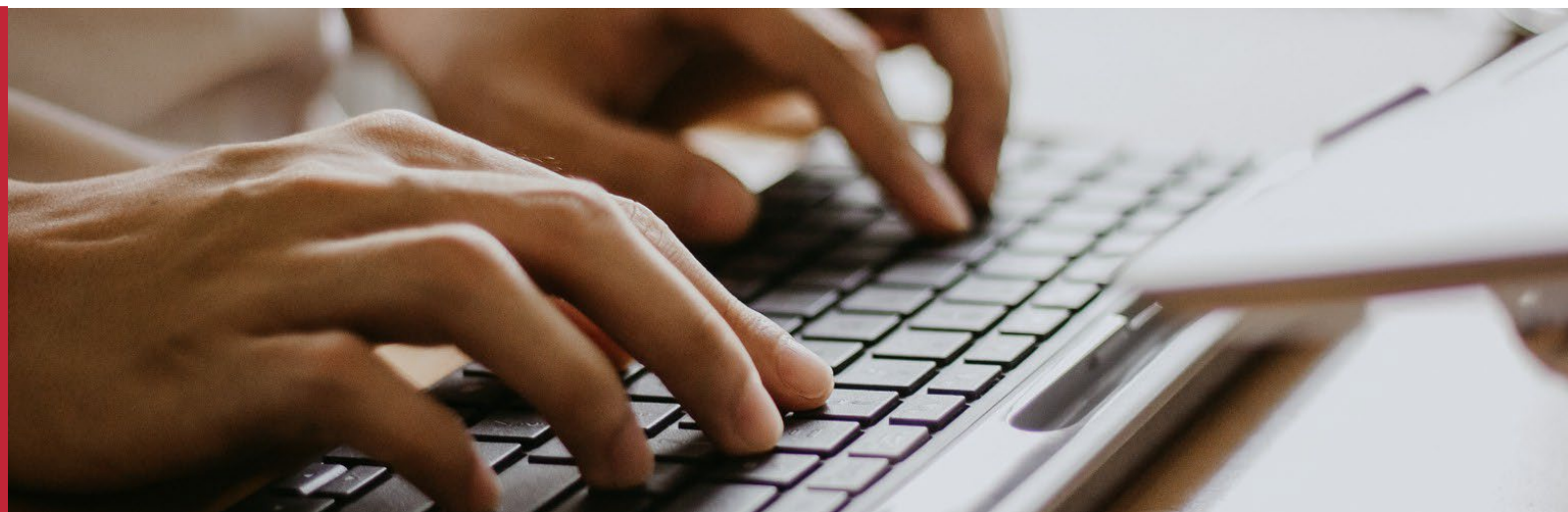
- ♦ **Ohio IT 501** – Employers who withhold Ohio income tax use the IT 501 to make quarterly, monthly, or partial weekly payments.
 - Payments are due quarterly if withholding was \$2,000 or less during the 12-month period ending June 30th of the preceding calendar year. Payments must be remitted no later than the last day of the month following the end of the calendar quarter.
 - Payments are due monthly if withholding was greater than \$2,000 but less than \$84,000 during the 12-month period ending June 30th of the preceding calendar year. Payments must be remitted no later than 15 days following the end of each month.
 - Payments are due partial weekly if withholding was greater than \$84,000 during the 12-month period ending June 30th of the preceding calendar year. Payments must be remitted by EFT (Electronic Funds Transfer) within three banking days from the end of the partial weekly period in which an employer issued its payroll. There are two partial weekly withholding periods each week. One consists of Saturday, Sunday, Monday, and Tuesday and the other consists of Wednesday, Thursday, and Friday. A partial weekly withholding period cannot extend from one year to the next. If the withholding amount reaches \$100,000 or more during the partial weekly period, payment must be remitted by EFT the next banking day after the payroll date.

Employer Withholding & School District Withholding Taxes



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Filing Requirements



- ♦ **Ohio SD 101** – Employers who withhold school district income tax use the SD 101 to make their payments. The filing frequency is either quarterly or monthly based on how often the employer is required to file its Ohio income tax withholding.
 - You must use the combined Ohio and school district income tax withholding amounts to determine your filing frequency. If your combined liability exceeds \$2,000 for the 12-month period ending on June 30th of the preceding calendar year, you must remit your school district withholding monthly. If your combined liability does not exceed \$2,000 for the same period, you may remit both taxes quarterly. Partial-weekly (EFT required) withholders remit school district tax monthly.

Employers discovering a withholding error from a previous period should adjust their next SD 101(s) by showing the net withholding tax due within that same school district only. Employers may not adjust between school districts on the SD 101. Employers cannot combine their school district income tax withholding payment with their Ohio income tax withholding payment.



Employer Withholding & School District Withholding Taxes

Annual Filing Requirements

- **W-2s and/or 1099s, Wage and Tax Statement** – On or before Jan. 31 of each calendar year, employers required to withhold shall furnish to all employees on whom tax was or should have been withheld two copies of the report of compensation paid during the calendar year and of the amount deducted and withheld as tax. Employers must clearly identify the school district on the W-2 by its four-digit number. All employers and/or third-party administrators are required to upload their W-2/1099-R information electronically through the Gateway. W-2 and 1099-R information is available on the [Department's website](#).
- **Ohio IT 941, Annual Reconciliation of Income Tax Withheld** – All employers required to withhold in the current year must electronically file Ohio IT 941 no later than Jan. 31 of the next calendar year. Employers selling or closing their business during the year must file their IT 941 within 15 days after the date of selling or closing the business.
- **Ohio IT 3, Transmittal of Wage and Tax Statements** – Since all employers are required to file their Ohio employer and school district withholding returns and payments electronically, all employers and/or third-party administrators will be required to upload their W-2/1099-R information electronically through the Gateway. Employers and/or third party administrators who submitted their W-2/1099 information through the W-2/1099 Upload do not need to file a paper IT 3 since the W-2/1099 Upload feature creates an IT 3 from the W-2/1099 information submitted. W-2 and 1099-R information is available on the [Department's website](#).
- **Ohio SD 141, Annual Reconciliation of School District Income Tax Withheld** – All employers required to withhold in the current year must electronically file Ohio SD 141, Annual Reconciliation, no later than Jan. 31 of the next calendar year. Employers selling or closing their business during the year must file their SD 141 within 15 days after the date of selling or closing the business.

Employer Withholding & School District Withholding Taxes



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How Do I Correct Form/Payment Mistakes?

- **W-2 or 1099-R** – Employers must issue "corrected" 1099s and W-2s to fix mistakes discovered after the initial statements are provided to their employee. Corrected statements should be clearly marked "CORRECTED BY EMPLOYER" and should be provided to both the Department of Taxation and the employee.
- **IT 941 or SD 141** – If you notice a mistake after filing your annual reconciliation return for withholding or school district withholding tax, you should file an amended IT 941 and/or SD 141, as appropriate, via the Gateway.
- **Overpayments**
 - If the overpayment is discovered during the current calendar year, the employer should reduce its "Ohio tax withheld" or "school district tax withheld" reported on the next Ohio IT 501(s) or SD 101(s) filed or EFT payment(s) made.
 - If the overpayment is discovered after the annual reconciliation (SD 141 or IT 941) has been filed, complete an amended reconciliation for that year electronically through the Gateway.

Sales Tax



Overview

Sales tax is a "trust" tax that must be collected on taxable services and taxable retail sales to Ohio customers by all Ohio retailers (vendors) and those out-of-state retailers (sellers) that are registered with Ohio. It is called a "trust" tax because the consumer has entrusted this tax to retailers with the understanding that it will be reported and paid to the state of Ohio in a timely manner. The current state rate is 5.75%. Counties and regional transit authorities may each levy sales tax in increments of .05% up to 1.5%. The total combined rate – state, county, and transit authority may not exceed 8.5%.

Who Must Register?

Every Ohio retailer (vendor) engaging in taxable retail sales and services must obtain a vendor's license, collect sales tax, file tax returns, remit payment of tax collected, and maintain complete records of transactions.

Who Does Not Need to Register?

You don't need to register for a vendor's license if you only sell items that are never subject to sales tax, provide non-taxable services (see R.C. 5739.01(B)), operate as a wholesaler, or sell exclusively through a marketplace facilitator. However, if you make any sales that are subject to sales tax, you must register, collect, and remit the tax.



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Sales Tax

Types of Vendor's Licenses

1. County Vendor's License

Ohio vendors making sales from a fixed place of business and vendors conducting sales online or by catalog must obtain a county vendor's license. Vendors of tangible personal property and certain services must have one county vendor's license for each fixed sales location. To register for a county vendor's license please visit the Gateway at Gateway.ohio.gov. Vendors may also visit their county auditor's office to obtain a county vendor's license.

Services requiring a county vendor's license are as follows:

- Fabrication, installation, repair and/or storage of tangible personal property;
- Hotel or similar room rentals;
- Laundry and dry cleaning (excludes coin-operated machine sales);
- Personal care services, including skin care, application of cosmetics, manicures, pedicures, hair removal, tattoos, body piercing, tanning, massage, and other similar services;
- Physical fitness facility service (membership fees and sales of tangible personal property);
- Recreation and sports club service (membership fees and sales of tangible personal property);
- Towing of motor vehicles, including those wrecked, disabled, or illegally parked;
- Washing (except coin-operated), cleaning, waxing, polishing or painting of motor vehicles;
- Transportation of persons within Ohio (except by public transit systems or commercial airlines);
- Landscaping, lawn care & snow removal services;
- Building maintenance & janitorial services

Note: Services are taxed at the rate in effect at the location where the customer receives the benefit or makes first use of the service. The above list is not a complete list of taxable services. For a complete list, see Ohio Revised Code 5739.01(B).



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Sales Tax

2. Transient Vendor's License

This type of license is required for vendors making sales from a non-fixed location such as a fair, an exhibition or a trade show, or a vendor traveling to the customer's location to sell taxable items. These licenses are valid throughout Ohio and allow a vendor to make sales in all 88 counties in Ohio.

Registration can be completed electronically via the Gateway at [Gateway.ohio.gov](https://gateway.ohio.gov).





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Sales Tax

Filing Requirements

The Universal Sales Tax return (UST1) is used for all of the above licenses and must be electronically filed and paid by the due date. **The filing frequency is determined by the Department and is stated on the registration confirmation notice.** The Department will notify you in writing of any filing frequency changes.

- ♦ **Monthly Filers** - The UST1 must be electronically filed and paid by the 23rd day of the month following the reporting period, for all tax collected during the preceding month. If the 23rd is on a weekend or holiday, the due date is the next business day.
- ♦ **Semi-annual Filers** - Vendors whose tax liability is less than \$1,200 per six-month period may file and pay their sales taxes semi-annually. Such returns are due by the 23rd day of the month following the close of each semi-annual period for the tax collected during the preceding six-month period.
 - Jan. 1 through June 30 - return and payment are due on or before July 23rd.
 - July 1 through Dec. 31 - return and payment are due on or before Jan. 23rd.
- ♦ **Mandatory Electronic Filing** - Each person holding a vendor's license, regardless of sales volume, is required to file a UST1 return electronically. The Department offers two ways to file a sales tax return electronically.
 - **The Gateway** – The Gateway allows taxpayers to electronically file their UST1 return and accepts electronic checks and credit cards for online payment. To use this option, please visit Gateway.ohio.gov, and enter OH-ID username and password. First time users must click on “Create Account” to obtain an OH-ID.
 - **TeleFile** – Vendors with a county vendor's license beginning with 01-88 may electronically file their UST1 returns over the phone through Ohio's TeleFile system. TeleFile users can remit payment by electronic check or credit card. To utilize the Ohio TeleFile system, a vendor must have their vendor's license number and their two-digit TIN available. This information can be found on the Registration Confirmation issued when the vendor's license was activated. To use this option please call 1-800-697-0440.

Returns must be filed even if no sales are made or no tax is due. Failure to file a return and/or remit tax due may result in fines, penalties, and possibly criminal charges.



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Sales Tax

Canceling a Vendor's License

If a vendor stops making taxable retail sales, a final UST1 must be filed and all taxes must be paid within 15 days of the final sale. Vendors must complete the space provided on the final UST1 indicating the last day of business. All electronic filing options, including the Gateway and TeleFile, allow a vendor to cancel their vendor's license when filing their final UST1. If you are a liquor permit holder, you cannot cancel the vendor's license until you no longer hold the liquor permit.

Are Vendors' Licenses Transferable?

Any change in ownership (sole proprietor to partnership, partnership to corporation, corporation to sole proprietor, partnership to sole proprietor, etc.) that requires the issuance of a new Federal Employer Identification Number (FEIN) requires a new vendor's license. A final UST1 return must be filed, and all taxes paid within 15 days of the last day of business for the preceding license.

Any change in location of a fixed place of business for a county vendor's license (beginning with 01- 88) not within the same county or if there is also a liquor permit associated with that vendor's license, even within the same county, requires a new license. A final UST1 return must be filed, and all taxes paid within 15 days of the last day of business for the preceding license.

A change in location of a fixed place of business for a county vendor's license within the same county does not require a new license. However, you are required to complete a Business Account Update Form (BAUF), which can be found on the [Department's website](#).

A change in the mailing address does not require a new license and can be requested by completing a BAUF, which can be found on the Department's website at tax.ohio.gov.



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Sales Tax

Determining Sales Tax Rates

Please visit the [Department's website](#) for information on the tax rates and rules governing Ohio's sales and use tax. Sign up for Ohio Tax Alerts and receive notification of tax rate changes. Sales and use tax rates for any address in Ohio can be verified by using The Finder, an online resource available at tax.ohio.gov.

Important Notes for Sales Tax

Nonprofit organizations exempt under section 501(c)(3) of the Internal Revenue Code that make retail sales no more than six days a year are not required to have a vendor's license or collect tax on those sales. If sales occur on more than six days, the organization must obtain a license and collect and remit tax. School-related, parent-teacher, and booster groups are exempt from registering and collecting the tax.

Sales Tax Exemptions

A consumer claiming exemption (resale, agriculture, manufacturing, nonprofit, etc.) must provide the vendor a fully completed exemption certificate. Exemption certificate forms are available on the Department's website at tax.ohio.gov and include the Unit Exemption Certificate (STEC U), the Blanket Exemption Certificate (STEC B) and the Streamlined Sales Tax Exemption Certificate (STECSSTP).

Trade Shows, Fairs, Flea Markets

Promoters, organizers or owners of trade shows, fairs, flea markets, exhibitions or similar events where transient vendors make retail sales are required to obtain the names, addresses, vendor's license numbers and types of goods sold from all persons exhibiting at the event. Further, this information must be maintained for at least four years and made available to the Department.

Consumer's Use Tax



Overview

Consumer's use tax is a tax on the storage, use, or other consumption of tangible personal property and certain taxable services in Ohio. These include purchases made from both Ohio and out-of-state vendors. The tax is a complement to the Ohio sales tax. In general, if you have paid Ohio sales tax on purchases of taxable tangible personal property or taxable services, then you do not owe Ohio use tax. If you have not paid Ohio sales tax, then you must remit Ohio use tax directly to the Department, unless there is an exception or exemption that applies to the transaction.

Please refer to the Department's website tax.ohio.gov for more information on what is subject to use tax and the appropriate sales/use tax rate for your county. Sales and use tax rates for any address in Ohio can be verified by using The Finder, an online resource available at tax.ohio.gov.



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Consumer's Use Tax

How Do I Remit Consumer's Use Tax Directly to Ohio?

The Universal Use Tax return (UUT1) is used for reporting and remitting use tax. Businesses must register for a Consumer's Use Tax account if their annual liability exceeds \$1,000. Registration and filing are available on the Gateway at [Gateway.ohio.gov](https://gateway.ohio.gov). The Gateway accepts electronic checks and credit cards for online payment. If your annual liability is less than \$1,000 you may report and pay on your Ohio income tax return, IT 1040. If you are not required to file an IT 1040, please contact the Department at 1-888-405- 4039 to determine how to remit your consumer's use tax.

Sales and use tax rates for any address in Ohio can be verified by using The Finder, an online resource available at www.tax.ohio.gov.



Commercial Activity Tax (CAT)



Overview

The CAT is a tax on the privilege of doing business in Ohio that is measured by gross receipts. This tax applies to all types of businesses: e.g. retailers, service providers (such as lawyers, accountants and doctors), manufacturers and other types of businesses.

Who Must Register?

In general, the CAT is paid by businesses with taxable gross receipts of more than \$3 million in a calendar year. As of January 1, 2025, businesses with taxable gross receipts of \$6 million or less per calendar year will no longer be subject to the CAT.

The CAT applies to all entity types regardless of form, e.g., sole proprietorships, partnerships, LLCs and all types of corporations.



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Commercial Activity Tax

Who is Not Subject to CAT?

- Nonprofit organizations;
- Some public utilities (telegraph company, natural gas company, pipeline company, water works company, heating company, combined company [excludes electric]) that pay the public utility excise tax;
- Financial institutions that pay the financial institutions tax;
- Insurance companies that pay the Ohio insurance premiums tax;
- Certain affiliates of financial institutions;
- Businesses with \$3 million or less of taxable gross receipts (unless they are part of a “consolidated elected taxpayer”).
- Starting January 1, 2025, businesses with \$6 million or less of taxable gross receipts will no longer be subject to the CAT.

What are Taxable Gross Receipts?

Gross receipts are defined as the total amount realized, without deduction for the cost of goods sold or other expenses incurred, from activities that contribute to the production of gross income. In general, for the sale of tangible personal property such receipt is only considered a taxable gross receipt if the property is delivered to a location in this state. For services, the receipt is situated to Ohio in the proportion that the purchaser’s benefit in this state bears to the purchaser’s benefit everywhere. The physical location where the purchaser ultimately uses or receives the benefit of what was purchased is paramount in making this determination. In other words, receipts from sales to out-of-state purchasers or the proportion of the services where the benefit is primarily received outside of this state are not subject to the CAT



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Commercial Activity Tax

Registration

Generally, taxpayers having more than \$3 million in taxable gross receipts situated to Ohio for the calendar year are required to register, file returns, and remit liability for the CAT. In order to file returns, a taxpayer must first register for CAT with the Department. Taxpayers are required to register for CAT within thirty (30) days of becoming subject to the tax. Registration is available electronically through the Gateway at gateway.ohio.gov.

Filing Requirements

All taxpayers must file quarterly. The return and payment are due the 10th day of the second month following each tax period, see below:

- Jan 1st – March 31st is due May 10th
- April 1st – June 30th is due August 10th
- July 1st – September 30th is due November 10th
- October 1st – December 31st is due February 10th

If the filing due date falls on a weekend or holiday, the return and tax are due on the next business day. Taxpayers must file returns and remit liabilities electronically through the [Gateway](https://gateway.ohio.gov).

Can Returns Be Amended?

Yes. Quarterly taxpayers are required to file amended returns electronically through the Gateway at gateway.ohio.gov.

Next Generation (NG) 9-1-1 Access Fee



**DIAL EMERGENCY
911**

Overview

The NG 9-1-1 access fee is imposed on the consumer of certain post-paid and prepaid communications services capable of making a 9-1-1 call. Funds received from the NG 9-1-1 access fee are used to provide for a state-wide, enhanced 9-1-1 system comprised of hardware, software, data, and operational policies and procedures to process all types of emergency calls including nonvoice (e.g., text or multi-media messages), acquire and integrate additional data useful to call routing and handling, and deliver the calls, messages, and data to the appropriate public safety answering point (PSAP).

Who Must Register?

Those vendors or sellers that sell post-paid or prepaid communications services capable of making a 9-1-1 call, including wireless telephone service, multiline telephone systems, and Voice Over Internet Protocol (VoIP) devices.



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Next Generation 9-1-1 Access Fee

Registration

Electronic registration is available online through the Gateway at [Gateway.ohio.gov](https://gateway.ohio.gov).

Who is Responsible for Collecting and Remitting the 9-1-1 Access Fee?

Retailers (vendors) must collect and remit the NG 9-1-1 access fee on sales of prepaid wireless calling service at the point of sale at a rate of .5% (.005). Effective January 2, 2024, and ending October 1, 2025, a monthly NG 9-1-1 access fee of 40¢ is instituted for customers with an Ohio billing address for each communication service capable of making a 9-1-1 call, including wireless telephone service, multiline telephone systems, and VoIP devices. After October 1, 2025, the fee is 25¢ per month.

Filing Requirements

NG 9-1-1 access fee account holders are required to file a monthly return and remit payment electronically through the Gateway at [Gateway .ohio.gov](https://gateway.ohio.gov). The return and payment are due by the 23rd day of each month, following the reporting period.

For more information, visit our website at: [Next Generation 9-1-1 Access Fee | Department of Taxation \(ohio.gov\)](https://gateway.ohio.gov)

Petroleum Activity Tax (PAT)



Overview

The PAT is a tax on the supplier of motor fuel and measured by the supplier's gross receipts from the first sale, transfer, exchange, or other disposition of motor fuel in Ohio to a point outside of the distribution system (see Information Release [PAT 2013-01](#)). The PAT is levied at a rate of 0.65% of the supplier's gross receipts. Gross receipts are broadly defined in R.C. 5736.01(E), as "the total amount realized by a person, without deduction for the cost of goods sold or other expenses incurred, from the first sale of motor fuel" within Ohio. However, there are four exclusions from the definition of gross receipts (exports, federal and state excise taxes paid on the motor fuel, bad debts, and receipts from the sale of an account receivable).

PAT taxpayers report and pay the PAT measured by their "calculated gross receipts". This methodology requires taxpayers to calculate their gross receipts based on the number of gallons of gasoline, propane, and motor fuel that is not gasoline or propane sold, and multiply those numbers by average wholesale prices posted on the Department's website at: [PAT average wholesale prices](#). The Tax Commissioner will post the average wholesale price of one gallon of unleaded regular gasoline, one gallon of propane, and one gallon of diesel fuel at least fifteen (15) days prior to the start of the calendar quarter to which those prices apply. The average wholesale prices do not include federal or state excise taxes.



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Petroleum Activity Tax

Who Must Register?

The PAT is imposed on the supplier. A supplier of motor fuel is any person that meets one of the following requirements:

- Sells, transfers, or otherwise distributes motor fuel from a terminal or refinery rack to a location in this state and that point is outside of a distribution system; or
- Imports or causes the importation of motor fuel for sale, exchange, transfer, or other distribution by the person to location in this state and that point is outside of a distribution system.

Registration

All suppliers must apply for a license with the Tax Commissioner within thirty (30) days of becoming subject to the tax. Electronic registration is available online through the Gateway at Gateway.ohio.gov.

All suppliers are required to renew their license each year on or before March 1st. The following license fees apply:

Applicant that solely imports or causes the importation of motor fuel for sale, exchange, or transfer in this state	\$300
Applicant that sells, transfers, exchanges, or otherwise disposes of motor fuel to a point outside of the distribution system	\$1,000
Applicant that operates as both an importer and a distributor of fuel for purposes of the PAT	\$1,000 ¹



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Petroleum Activity Tax



Filing Requirements

PAT taxpayers are required to file a quarterly return electronically through the Gateway at [Gateway.ohio.gov](https://gateway.ohio.gov). The return and payment are due the 10th day of the second month following each tax period, see below:

- Jan 1st – March 31st is due May 10th
- April 1st – June 30th is due August 10th
- July 1st – September 30th is due November 10th
- October 1st – December 31st is due February 10th

A supplier will be required to identify on its return those calculated receipts attributable to motor fuel used for propelling vehicles on public highways, railways, and waterways compared with all other receipts. The bifurcation is necessary to ensure proper distribution of revenue from the tax.

Financial Institutions Tax (FIT)



Overview

The FIT is a business privilege tax imposed on each financial institution conducting business in this state or otherwise having nexus in this state.

Who Must Register?

Financial institutions conducting business in this state or otherwise having nexus in this state are subject to this tax. A “financial institution” is a bank organization, a holding company of a bank organization, or a nonbank financial organization. If two or more entities are consolidated for purpose of filing a FR Y-9 or call report, then a financial institution consists of all entities included in the FR Y-9 or call report.

A bank organization is defined as follows:

- National bank;
- Federal savings association or bank;
- Bank, banking association, trust company, savings and loan association, savings bank or other banking institution;
- Corporation organized under 12 U.S.C. 611;
- Agency or branch of a foreign bank;
- Entity licensed as a small business investment company or company chartered under the “Farm Credit Act of 1933”

A nonbank financial organization is an entity that engages in business primarily as a small dollar lender. A small dollar lender is any person primarily engaged in the business of loaning money to individuals if the loan is for one year or less and does not exceed \$5,000.00.

Financial Institutions Tax



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Registration

Electronic registration is available online through the Gateway at [Gateway.ohio.gov](https://gateway.ohio.gov). De novo bank organizations should review [FIT Information Release 2021-01](#) prior to registration.

Filing Requirements

Estimated payment due dates:

- January 31st – 1/3 of the tax or the minimum tax of \$1,000 (whichever is greater)
- March 31st – 1/2 of the remaining balance due
- May 31st – second 1/2 of the remaining balance due

The report is due October 15th of the tax year, there are no extensions.

How to File and Remit FIT?

Payments and returns can be filed electronically on the Gateway at gateway.ohio.gov. Payments may be made electronically and submitted through the Gateway or the Ohio Treasurer of State Office (TOS).

Pass-Through Entity Tax



Overview

The pass-through entity tax (PTE) is not so much a separate tax as it is a mechanism designed to collect individual income tax that is otherwise due and payable by equity investors in qualifying passthrough entities.

Who Must Register?

Qualifying entities who have never filed but anticipate doing so should complete a PTE registration form (PTE REG) found on tax.ohio.gov. This will ensure the proper crediting of estimated payments that are required to be made prior to the filing of the return.

Who is Subject to Pass-Through Entity Tax?

A pass-through entity is an S corporation, a partnership, or a limited liability company (LLC) treated for federal income tax purposes as either a partnership or an S corporation. Each qualifying pass-through entity doing business in Ohio or otherwise having nexus with Ohio is subject to the pass-through entity withholding tax. Qualifying trusts are also subject to the tax. Many pass-through entities are not “qualifying pass-through entities” and therefore are not subject to this tax. Passthrough entities not subject to the tax include entities whose investors are limited to full- year Ohio resident individuals or Ohio resident estates. However, an entity with Ohio residents may want to elect to file the IT 4738 for the federal SALT cap workaround. Please consult your tax advisors to see if this election benefits you. If you intend to file this form, even if you have filed a PTE return in the past, you should complete a registration form for this particular account type. Also, see IT 4738 below and our website on this topic at tax.ohio.gov/electingPTE.



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Pass-Through Entity Tax

Who is Not Subject to Pass-Through Entity Tax?

The following are not qualifying pass-through entities:

- Entities having no qualifying investors;
- Pension plans and charities;
- Publicly traded partnerships;
- Real estate investment trusts, regulated investment companies, and real estate mortgage investment conduits;
- Any entity treated as a “disregarded entity” for federal income tax purposes; •
- Qualified subchapter S subsidiary corporations (if the parent S corporation has qualifying investors, the parent S corporation is a pass-through entity which must compute the tax on a consolidated basis).
- Note: A trust, estate, disregarded entity or C corporation cannot file the IT 4738. See R.C. 5747.38(C), 5747.01(K), and 5733.04(O).

Filing Requirements

Form IT 1140

The IT 1140 is a withholding form that the qualifying pass-through entity completes and files with the Department. Qualifying pass-through entities whose total “adjusted qualifying amounts” exceed \$1,000 must make estimated quarterly tax payments on Form IT 1140 ES. The IT 1140 must be filed by the 15th day of the fourth month following the end of the entity’s taxable year. For taxpayers with a Jan. 1 through Dec. 31 taxable year, the return is due on April 15. If the entity has sought an extension of time to file its federal tax return (IRS form 1065 or 1120S), then the qualifying pass-through entity has the same extended time to file the Ohio tax return. If the federal extended due date comes before the Ohio unextended due date, the taxpayer does not receive an extension (since the Ohio return is already due after the federal extension date). The payment deadline, however, will not be extended.

Pass-Through Entity Tax



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Filing Requirements

Form IT 4708

This form is a composite return completed and filed by the pass-through entity on behalf of one or more of the entity's investors for whom income tax has not been previously withheld. The pass-through entity must make estimated tax payments on Form IT 4708 ES if the pass-through entity's tax due for the current year is more than \$500. The return is generally due on April 15 of the calendar year immediately following the calendar year in which the pass-through entity's taxable year ends. If the pass-through entity has sought an extension of time to file its federal tax return, then the pass-through entity has the same extended time to file the Ohio return on form IT 4708.

Form IT 4738 (see Ohio Revised Code 5747.38)

Senate Bill 246 was passed by the General Assembly and signed by Governor DeWine. This bill added section R.C. 5747.38, which allows a qualifying pass-through entity (PTE) to "elect" to be subject to this new entity-level tax. The election is made by the entity and is binding on all owners of the entity.

This entity type was created as a workaround for the SALT cap. The due date is April 15th of the calendar year after the year in which the entity's fiscal year ends. Estimated payment due dates are the same as the IT 1140.



**Department of
Taxation**

Contact Us

Commercial Activity Tax or Petroleum Activity Tax:



Phone 1-888-722-8829



Fax 1-206-666-4462

Financial Institutions, Employer Withholding, School District Withholding, Sales / Use Taxes And Next Generation 9-1-1 Access Fee:



Forms Request Line 1-800-282-1782



Phone (registration) 1-888-405-4089



Phone (general) 1-888-405-4039



Fax 1-614-387-1851

Pass-Through Entity Tax:



Forms Request Line 1-800-282-1782



Phone (general) 1-888-405-4039



Fax 1-614-466-1582