



# 2026 Ohio Small Business **Tax Guide**



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**Department of  
Taxation**

## Ohio Small Business Tax Guide

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:

- Employer Withholding and School District Withholding Taxes
- Sales Tax
- Use Tax
- Commercial Activity Tax (CAT)
- Next Generation (NG) 911 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](https://tax.ohio.gov). Businesses may sign up to receive tax alerts via email. 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](https://tax.ohio.gov).

## 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:

- The first step is contacting the Ohio Secretary of State. For additional information and requirements please visit [ohiosos.gov](https://ohiosos.gov) or call **1-877-767- 6446** for assistance.
- Businesses with employees must have an active workers' compensation policy to ensure 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](https://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 at [jfs.ohio.gov](https://jfs.ohio.gov) 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 the Ohio Department of Commerce's website at [com.ohio.gov](https://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 the Department of Development's website at [development.ohio.gov](https://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

### 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 OH|TAX eServices at [tax.ohio.gov/ohtax](https://tax.ohio.gov/ohtax). 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.

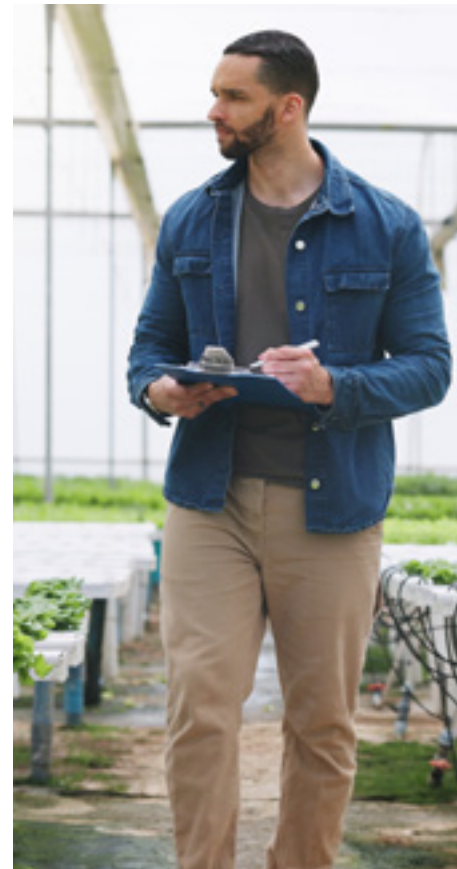
**Note:** *All employers who become liable for withholding Ohio income tax must register within 15 days of when such liability begins.*

## 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 as defined in division G of Section 3121 of Title 26 of the United States Code
- 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 **OH|TAX eServices**. 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.
- **Ohio IT 501** – Employers who withhold Ohio income tax use the IT 501 to make quarterly, monthly, or partial weekly payments.



## Employer Withholding & School District Withholding Taxes

### Filing Requirements

Payments are due quarterly if withholding was \$2,000 or less during the 12-month period ending June 30 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.

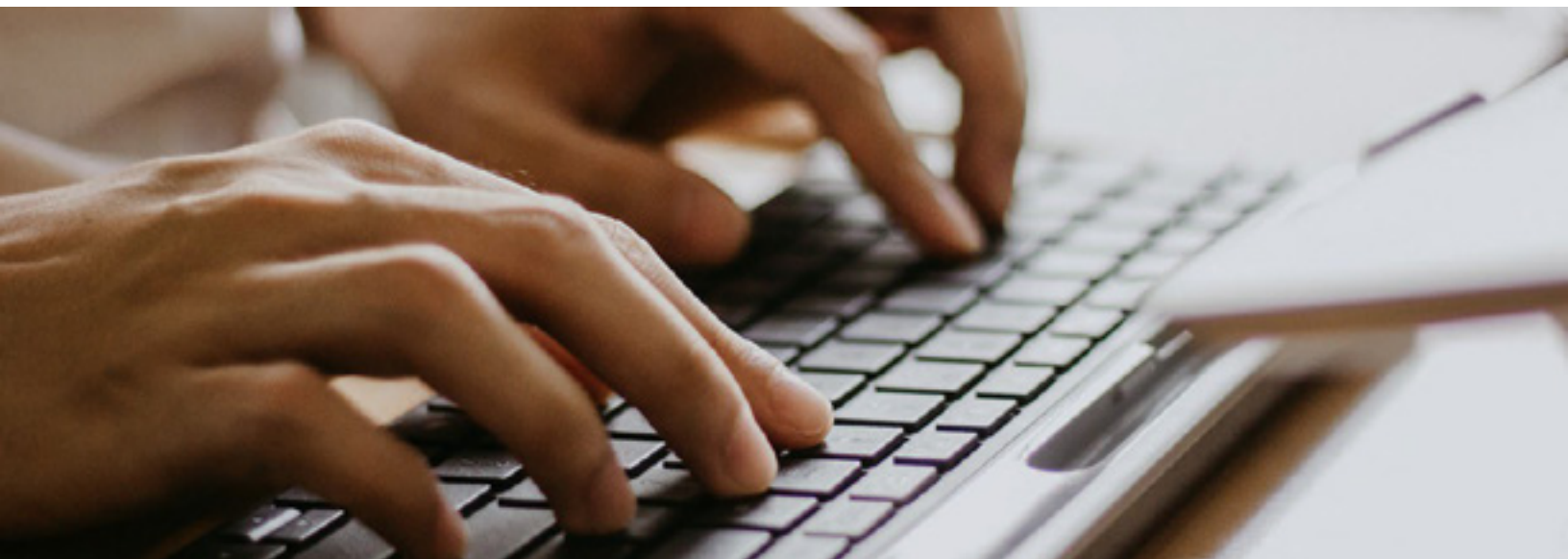
Payments are due monthly if withholding was greater than \$2,000 but less than \$84,000 during the 12-month period ending June 30th of the preceding calendar year. Payments must be remitted no later than 15 days following the end of each month. Payments are due partial weekly if withholding was greater than \$84,000 during the 12-month period ending June 30 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

## 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.
- School district income tax withholding filing frequency is the same as your employer withholding filing frequency for all filers except partial-weekly filers. All partial-weekly filers are required to file school district withholding **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

- **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 January 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 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 January 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.
- **W-2s and/or 1099s, Wage and Tax Statement** – On or before January 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 OH|TAX eServices. W-2 and 1099-R information is available on the Department’s website.
- **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 OH|TAX eServices. 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.

## Employer Withholding & School District Withholding Taxes

### 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 **OH|TAX eServices**.
- **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 OH|TAX eServices.



# 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 8.75%.



## 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.

# Sales Tax

## 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 at OH|TAX eServices or contact your county auditor's office.

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).

## 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 **OH|TAX eServices**.



## 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.
  - January 1 through June 30 - return and payment are due on or before July 23rd.
  - July 1 through December 31 - return and payment are due on or before January 23.
- **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.
- **OH|TAX eServices** - OH|TAX eServices allows taxpayers to electronically file their UST1 return and accepts electronic checks and credit cards for online payment. To use this option, please visit [tax.ohio.gov/ohtax](http://tax.ohio.gov/ohtax).
- **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.

## Sales Tax

### Canceling a Vendor's License

A business with a vendor's license is required to file a final sales tax return when canceling the license. This can be done electronically through **OH|TAX eServices**. Use the following steps under your tax account based on the type of license you need to close:

- To cancel an individual county vendor license or branch location:  
→ View Licenses > Manage > Close Account
- To cancel all county vendor licenses or a transient vendor license:  
→ More > Close Account (under Account Maintenance)

**Alternatively**, you may cancel a vendor's license through TeleFile when filing the final UST-1. Vendors who also hold a liquor license may not cancel their vendor's license until the associated liquor license has been transferred or closed. To change the status of a liquor license, contact the **Ohio Department of Liquor Control**.

### 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 maintain your branch location address on OHTAX eServices.

## 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](http://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](#) and include the Unit Exemption Certificate (STEC U), the Blanket Exemption Certificate (STEC B) and the Streamlined Sales Tax Exemption Certificate (STEC SSTP).

### 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](https://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](https://tax.ohio.gov).



## 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 **OH|TAX eServices**. OH|TAX eServices 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 [tax.ohio.gov](http://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?

As of January 1, 2025, businesses with taxable gross receipts of \$6 million or less per calendar year are no longer 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.



## Commercial Activity Tax (CAT)

### 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;
- As of January 1, 2025, businesses with \$6 million or less of taxable gross receipts are no longer 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.

## Commercial Activity Tax (CAT)

### Registration

Generally, taxpayers having more than \$6 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](https://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 the following:

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

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](https://gateway.ohio.gov).

**Note:** For information regarding filing requirements prior to 2025, please review CAT 2023 Information Release.

## Next Generation (NG) 911 Access Fee

### Overview

The NG 911 access fee is imposed on the consumer of certain post-paid and prepaid communications services capable of making a 911 call. Funds received from the NG 911 access fee are used to provide for a state-wide, enhanced 911 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 911 call, including wireless telephone service, multiline telephone systems, and Voice Over Internet Protocol (VoIP) devices.



## Next Generation (NG) 911 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 911 Access Fee?

Retailers (vendors) must collect and remit the NG 911 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 September 29, 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 911 call, including wireless telephone service, multiline telephone systems, and VoIP devices. Effective September 30, 2025, the fee is 60¢ per month.



### Filing Requirements

NG 911 access fee account holders are required to file a monthly return and remit payment electronically through the Gateway. The return and payment are due by the 23rd day of each month, following the reporting period, even if the business is reporting \$0. For more information, visit our website at: [Next Generation 911 Access Fee | Department of Taxation \(ohio.gov\)](https://www.tax.ohio.gov/next-generation-911-access-fee)

## 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.



## Petroleum Activity Tax (PAT)

### 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](http://gateway.ohio.gov).

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

License Type	Fee
<b>Importers:</b> Applicant that solely imports or causes the importation of motor fuel for sale, exchange, or transfer in this state	\$300
<b>Distributors (i.e. Rack/Refinery):</b> 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 <sup>1</sup>

## Petroleum Activity Tax (PAT)

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

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

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 (FIT)

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

The report is due October 15 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](https://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 pass-through entities.

### Who Must Register?

Qualifying entities with an OHID account should register for a PTE account by making a guest payment at [tax.ohio.gov/OHTAX](https://tax.ohio.gov/OHTAX). A registration can also be completed by filing a return using a software product that has been approved for federal/state electronic filing or by mailing a paper return. Registration prior to filing ensures the proper crediting of required estimated payments.

### 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. Some passthrough entities are not qualifying pass-through entities and therefore are not subject to this tax. Pass-through entities not subject to the tax include entities whose investors are limited to full-year Ohio resident individuals, Ohio resident estates and certain other investors. See R.C. 5733.40(I) for a complete list of non-qualifying investors. However, entities with only investors that are full-year Ohio Ohio resident individuals, Ohio resident estates and certain others are not prohibited from filing the IT 4708 Pass-Through Entity Composite Income Tax Return and the IT 4738 Electing PassThrough Entity Income Tax Return. Please consult your tax advisors to see if the election to file the IT 4708 or the IT 4738 benefits you. Also, see IT 4708 and IT 4738 sections in this document and our website at [tax.ohio.gov/PTE](https://tax.ohio.gov/PTE).

## Pass-Through Entity Tax

### 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 the IT 4708 Ohio Universal Payment Coupon (OUPC) 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 4708**





Senate Bill 246 was passed by the Ohio General Assembly and signed by Governor DeWine on June 14, 2022. This bill added section R.C. 5747.38, which allows a qualifying passthrough 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. By electing to pay tax at the entity level, the PTE can deduct the state and local taxes (SALT) as a business expense at the federal level, reducing the federal taxable income passed through to the owners. The due date is April 15 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, IT 4708 and IT 1041.

## 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:

-  Phone (General) 1-888-405-4039
-  Web Message [tax.ohio.gov/OHTAX](https://tax.ohio.gov/OHTAX)  
Log in or Create an OHID account

