



Financial Institutions Tax (FIT) - General Information

Taxpayers

A taxpayer is a financial institution that is subject to the tax as imposed by Ohio Revised Code section (R.C.) 5726.02.

Financial institution means a bank organization, a holding company of a bank organization, or a nonbank financial organization, except when one of the following applies:

1. If two or more such entities are consolidated for the purposes of filing an FR Y-9, financial institution means a group consisting of all entities that are consolidated in the FR Y-9.
2. If two or more such entities are consolidated for the purposes of filing a call report, financial institution means a group consisting of all entities that are consolidated in the call report and that are not included in a group described in #1 of this section.
3. If a bank organization is owned directly by a grandfathered unitary savings and loan holding company or is owned directly or indirectly by an entity that was a grandfathered unitary savings and loan holding company on January 1, 2012, financial institution means a group consisting only of that bank organization and the entities consolidated in that bank organization's call report, notwithstanding #1 or #2 of this section.
4. Financial institution does not include a diversified savings and loan holding company or a grandfathered unitary savings and loan holding company, any entity that was a grandfathered unitary savings and loan holding company on January 1, 2012, or any entity that is not a bank organization or owned by a bank organization and that is owned directly or indirectly by an entity that was a grandfathered unitary savings and loan holding company on January 1, 2012.

Financial institution does not include a diversified savings and loan holding company or a grandfathered unitary savings and loan holding company.

Bank organization means any of the following:

1. A national bank organized and operating as a national bank association pursuant to the "National Bank Act," 13 Stat. 100 (1864), 12 U.S.C. 21, etseq.;
2. A federal savings association or federal savings bank chartered under 12 U.S.C. 1464;



3. A bank, banking association, trust company, savings and loan association, savings bank, or other banking institution that is organized or incorporated under the laws of the United States, any state, or a foreign country;
4. Any corporation organized and operating pursuant to 12 U.S.C. 611, etseq.;
5. Any agency or branch of a foreign bank, as those terms are defined in 12 U.S.C. 3101;

Bank organization does not include an institution organized under the "Federal Farm Loan Act," 39 Stat. 360 (1916), or a successor of such an institution, a company chartered under the "Farm Credit Act of 1933," 48 Stat. 257, or a successor of such a company, an association formed pursuant to 12 U.S.C. 2279c- 1, an insurance company, or a credit union.

Nonbank financial organization means every person that is not a bank organization or a holding company of a bank organization and that engages in business primarily as a small dollar lender. Nonbank financial organization does not include an institution organized under the "Federal Farm Loan Act," 39 Stat. 360 (1916), or a successor of such an institution, an insurance company, a captive finance company, a credit union, an institution organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or a person that facilitates or services one or more securitizations for a bank organization, a holding company of a bank organization, a captive finance company, or any member of the person's affiliated group.

A person is engaged in business primarily as a small dollar lender if the person has, for the taxable year, gross income from the activities described in division (O) of R.C. 5726.01 that exceeds the person's gross income from all other activities. As used in division (M) of R.C. 5726.01, gross income has the same meaning as in section 61 of the Internal Revenue Code, and income from transactions between the person and the other members of the affiliated group shall be eliminated, and any sales, exchanges, and other dispositions of commercial paper to persons outside the affiliated group produces gross income only to the extent the proceeds from such transactions exceed the affiliated group's basis in such commercial paper.

Tax Year vs. Taxable Year

The tax year means the calendar year for which the tax levied under section 5726.02 of the Ohio Revised Code is required to be paid. The tax year is also referred to as the report year.



Taxable year means the calendar year proceeding the year in which an annual report is required to be filed under section 5726.03 of the Revised Code.

Example: The 2021 tax year is based on taxable year 2020.

Tax Rates and Minimum Tax

Tax rates for the financial institutions tax are levied on total Ohio equity capital as follows:

- 8 mills (.008) on the first \$200 million
- 4 mills (.004) on amounts greater than \$200 million and less than \$1.3 billion
- 2.5 mills (.0025) on amounts equal to or greater than \$1.3 billion

If based on the above rates, a taxpayer's liability does not exceed \$1,000; the taxpayer must instead pay a minimum tax of \$1,000.

Due Dates

Estimated payments are due on or before the following dates during the tax year.

- January 31st: one-third of the tax or the minimum tax of \$1,000, whichever is greater
- March 31st: one-half of the remaining balance of the tax
- May 31st: the second one-half of the remaining balance of the tax

The FIT annual report is due on or before October 15th of the tax year.

Example: The estimated payments for the 2024 report (based on calendar year 2023) are due on or before January 31, 2024; March 31, 2024; and May 31, 2024, with the annual report due on or before October 15, 2024.

** If the due date falls on a weekend or holiday, the estimated payment and/or return is due on the next business day.*