Ohio | Department of Taxation
P.O. Box 530
Columbus, OH 43216-0530

KWH 2B
Rev. 9/21

Instructions for Completing Electric Distribution Company Tax Return (KWH 2) and Schedule of Self-Assessing Purchasers (KWH 2A)

Reporting Periods and Due Dates

Monthly tax returns are due by the 20th day of the month following the reporting period. The last day of a customer's billing period will determine when the distribution of electricity and tax are to be reported. As an example, information from all billing periods ending in June will be reported on the June return that is due by July 20th. If the due date falls on a weekend or state holiday, the due date is the next business day.

Nontaxable Distribution

Do not report on lines 1, 2 or 3 of the return the distributing or obtaining of electricity to or by:

1. Customers that the Department of Taxation has notified you are self-assessing purchasers
2. The federal government
3. An end user located at a federal facility that uses electricity for uranium enrichment
4. A qualified regeneration meter
5. An end user for any day the end user is a qualified end user
6. An end user if the electricity is generated by an electric generation facility that is primarily dedicated to providing electricity to the electric-consuming facilities of the end user, that is sized so as to not exceed one hundred per cent of the customer-generator's annual requirements for electric energy at the time of interconnection, that is physically interconnected and integrated with the electric-consuming facilities of the end user, and that is located on the same property on which the end user's electric-consuming facilities are situated or on property that is contiguous to the property on which the end user's electric-consuming facilities are situated.

The kilowatt hour tax does not apply to kilowatt hours of electricity generated by a self-generator if the electric generating facility is sized so as not to exceed one hundred percent of the customer-generator's annual requirements for electric energy at the time of interconnection. "Self-generator" means an entity in this state that owns or hosts on its premises an electric generation facility that produces electricity primarily for the owner's consumption and that may provide any such excess electricity to another entity, whether the facility is installed or operated by the owner or by an agent under a contract. "Customer-generator" means a user of a net metering system.

Qualified regeneration means a process to convert electricity to a form of stored energy if such stored energy is subsequently used to generate electricity for sale to others. A qualified end user is a manufacturer using more than three million kilowatt hours of electricity at a single location per day in the performance of an electrochemical reaction in which electrons from direct current remain a part of the product being manufactured.

Distribution to Self-Assessing Purchasers

Distribution of electricity to self-assessing purchasers must be reported on schedule KWH 2A, which must be filed with your return. This form will be preprinted with the self-assessor's name and the account number assigned by the Department of Taxation. Enter the kilowatt hours distributed during the return period based on their billing period as explained under Reporting Periods and Due Dates. This schedule is for informational and verification purposes only and no tax is due as a result of this schedule.

Municipal Electric Companies

Municipal electric companies retain the tax on electricity distributed to end users within the city limits. The tax on this distribution is to be reported to the municipal corporation. Only the distribution of electricity to users outside the city limits, and the appropriate tax, must be reported to the state of Ohio.

Computation of the Tax

For 30-day billing periods:

The first 2,000 kilowatt hours of electricity distributed to each customer is subject to a rate of $.00465. The next 13,000 kilowatt hours distributed to each customer is subject to a rate of $.00419. All kilowatt hours over 15,000 distributed to each customer is subject to a rate of $.00363.

As an example: You have distributed 27,000 kilowatt hours to customer A in a 30-day billing cycle. The tax charged to customer A would be calculated as follows:

KWHs		Rate		Tax
2,000	x	.00465	=	$ 9.30
13,000	x	.00419	=	$54.47
12,000	x	.00363	=	$43.56

For billing periods other than 30 days:

The kilowatt hours distributed to each customer is divided by the number of days in the billing period to arrive at a daily average. The first 67 kilowatt hours of this average multiplied by the number of days in the billing period is subject to the $.00465 rate. The next 433 kilowatt hours of this average multiplied by the number of days in the billing period is subject to the $.00419 rate. Any remaining kilowatt hours multiplied by the number of days in the billing period is subject to the $.00363 rate.

As an example: You have distributed 27,000 kilowatt hours to customer B in a 28-day billing period. The tax charged to customer B would becalculated as follows:

27,000 ÷ 28 days = 964 KWHs per day

KWHs		Days		Taxable KWHs		Rate		Tax
67	x	28	=	1,876	x	.00465	=	$8.72340
433	x	28	=	12,124	x	.00419	=	$50.79956
464	x	28	=	12,992	x	.00363	=	$47.16096

Line 1 column B – Enter the kilowatt hours distributed to all customers at the $.00465 rate.
Line 1 column C – Enter the tax for all customers at this rate.

Line 2 column B – Enter the kilowatt hours distributed to all customers at the $.00419 rate.
Line 2 column C – Enter the tax for all customers at this rate.

Line 3 column B – Enter the kilowatt hours distributed for all customers at the $.00363 rate.
Line 3 column C – Enter the tax for all customers at this rate.

Line 4 – Enter the total of column C, lines 1, 2 and 3.

Line 5 – Enter the interest due on late payments. (Please refer to our website at www.tax.ohio.gov for the current interest rate.) Multiply line 4, column C by the interest rate, divide by 365 and multiply by the number of days the payment is late.

Line 6 – Enter the sum of lines 4 and 5. This is the amount owed.

General Provisions

A return and schedule must be filed each month, even if there is no liability to report. **All amounts are to be rounded to the nearest dollar.** Late returns may be subject to a late filing charge of up to 10 percent of the tax liability or $50, whichever is greater. You will be billed for any applicable late charge. The return and payment must be received by the Department of Taxation on or before the due date. Make checks payable to the Ohio Treasurer of State and write your account number on the check.Please direct any questions to our office: Ohio Department of Taxation, Excise & Energy Tax Division, P.O. Box 530, Columbus, OH 43216-0530 or at 1-855-466-3921.