



Application for Compensation of Expenses Incurred for Destination-Based Sourcing Tax Collections

This application is for submitting a request for compensation authorized under Ohio Revised Code section 5739.123. **Additional instructions are on page 3. THE ORIGINAL AND ONE COPY OF THIS FORM MUST BE FILED. Only one set of back-up documents is needed.**

In order to qualify for compensation for expenses incurred as a result of switching to taxing transactions based on destination (e.g., delivery of goods), as opposed to the rate imposed at the retail store, **the following criteria must be met:**

- The switch to tax collected based on destination sourcing has been made for at least six months.
- This claim for compensation must be filed within 60 days after the end of the reporting period that includes the last day of the last month of the six-month period.
- The license(s) for which the expenses were incurred was active before May 1, 2006.
- All sales tax return(s) (form UST 1) for the six-month period that destination sourcing was used have been timely filed and paid.
- The compensation requested is for expenses incurred to comply with destination-based sourcing.
- This is a one-time compensation request. All expenses incurred to comply with destination-based sourcing must be included on one compensation request per legal entity noted in #5 below. Any future compensation request filed will be denied.
- You must have at least one permanent location in Ohio.
- Transient, delivery and service vendors qualify for reimbursement if they also have at least one permanent location in Ohio. The reimbursement would only be granted for the costs to switch to destination-based sourcing for the permanent location(s).
- The period ending June 2008 will be the last filing period that compensation will be available.

If the above criteria have not been met, you do not qualify for compensation of expenses incurred for collecting tax based on destination and an application for compensation cannot be filed.

Please type or print clearly

1. License number(s) on return used to remit destination-based sourcing tax. _____
2. First six months tax based on destination sourcing was remitted _____ to _____
3. Name of applicant _____
4. Address _____
Street _____ City _____ State _____ ZIP _____
5. Federal employer identification number or social security number _____
6. Total cost to switch to destination-based sourcing _____
7. Amount requested for compensation on purchase(s). See #4 on page 3 for calculation instructions. _____
8. I hereby attest that I am the taxpayer(s) or their authorized agent. I declare under penalties of perjury that this claim (including any accompanying schedules and statements) has been examined by me and, to the best of my knowledge and belief, is true, correct and complete.

The **taxpayer(s)** will be **represented** in this matter by:

Name _____	Taxpayer _____
Address _____	Signature/date _____
Telephone _____ Fax _____	Telephone _____ Fax _____
E-mail _____	E-mail _____

Central Office Processing			
Claimed _____	Inc/Reduc _____		
Xfer Ref _____	Net to Txpr _____	_____	_____
Ck Amt _____	Ttl Approved _____	Reviewer	Date

Supporting Schedule

County Name	County Number	Tax Paid on Return(s)	Compensation Requested*	County Name	County Number	Tax Paid on Return(s)	Compensation Requested*
Adams	01			Licking	45		
Allen	02			Logan	46		
Ashland	03			Lorain	47		
Ashtabula	04			Lucas	48		
Athens	05			Madison	49		
Auglaize	06			Mahoning	50		
Belmont	07			Marion	51		
Brown	08			Medina	52		
Butler	09			Meigs	53		
Carroll	10			Mercer	54		
Champaign	11			Miami	55		
Clark	12			Monroe	56		
Clermont	13			Montgomery	57		
Clinton	14			Morgan	58		
Columbiana	15			Morrow	59		
Coshocton	16			Muskingum	60		
Crawford	17			Noble	61		
Cuyahoga	18			Ottawa	62		
Darke	19			Paulding	63		
Defiance	20			Perry	64		
Delaware	21			Pickaway	65		
Erie	22			Pike	66		
Fairfield	23			Portage	67		
Fayette	24			Preble	68		
Franklin	25			Putnam	69		
Fulton	26			Richland	70		
Gallia	27			Ross	71		
Geauga	28			Sandusky	72		
Greene	29			Scioto	73		
Guernsey	30			Seneca	74		
Hamilton	31			Shelby	75		
Hancock	32			Stark	76		
Hardin	33			Summit	77		
Harrison	34			Trumbull	78		
Henry	35			Tuscarawas	79		
Highland	36			Union	80		
Hocking	37			Van Wert	81		
Holmes	38			Vinton	82		
Huron	39			Warren	83		
Jackson	40			Washington	84		
Jefferson	41			Wayne	85		
Knox	42			Williams	86		
Knox	42			Williams	86		
Lake	43			Wood	87		
Lawrence	44			Wyandot	88		
Subtotal for First Column				Total Reimbursement for the Period			

*Compensation requested may not be greater than \$25 per county, per **month**. See instruction #4 for additional clarification.

Instructions

- Lines 1 through 8 on page 1 of this application must be completed. Please **type** or **print in ink**.
- The application must be filed in **duplicate**. Please make a copy for your records. Mail to:
Ohio Department of Taxation
Attn: Sales and Use Tax Refund Unit
P.O. Box 530
Columbus OH 43216-0530
- The following information **must** be included with this request:
 - a numerical list of all active vendor's licenses for the entity noted on line 5 of page 1 of this application;
 - a computer disc or CD-ROM containing a Microsoft Excel or Microsoft-compatible spreadsheet. The spreadsheet must contain four columns: the county name, the county number, the tax paid on the return and the amount of compensation requested. This information must be listed and totaled on a monthly basis.
 - a copy of the invoice(s) for the purchase(s);
 - proof that the invoice(s) was paid in full (e.g., copies of cancelled checks, bank statements, etc.);
 - any documentation that verifies the amount of compensation claimed.
- An entity may receive the lesser of \$25 **OR** the amount of total tax collected for each county they ship taxable goods into, as long as they do not have a store located within that county. They are eligible for this compensation by county, per month, for a total of six months. The six-month period begins when the entity makes the election to start destination-based sales tax collections or January 2008, whichever is earlier. The maximum reimbursement cannot be more than the total expenses incurred to comply with destination-based sourcing. The reimbursement is limited to \$25 per county that tax was reported in, per month, for a maximum of \$150 per county for the six-month reimbursement period. If tax was remitted to a particular county four of the six months, the maximum reimbursement is the tax collected for those four months or \$100, whichever is less.

Example A:

A Franklin County vendor ships to the following counties for a particular **month**, but has **no** fixed place of business in those counties.

County Name	County Number	Tax Paid on Return(s)	Compensation Requested*
Delaware	21	\$15*	\$15*
Licking	45	\$50*	\$25*
Madison	49	\$100*	\$25*
Pickaway	65	\$100*	\$25*

Example B:

A Franklin County vendor ships to the following counties for a particular **month**, but the Franklin County vendor **also has a fixed place** of business in Madison and Delaware counties.

County Name	County Number	Tax Paid on Return(s)	Compensation Requested*
Delaware	21	\$15	0
Licking	45	\$50*	\$25*
Madison	49	\$100	0
Pickaway	65	\$100*	\$25*

Example C:

A vendor has two locations, one in Franklin County and one in Delaware County. Both locations ship into Knox County where there is **no** location. The maximum compensation for the vendor for Knox County is \$25 for the **month**.

Franklin County location:
 Knox County \$20 – Tax paid on return \$20 – Compensation requested

Delaware County location:
 Knox County \$15 – Tax paid on return \$5 – Compensation requested

Add together Knox County figures in both Franklin and Delaware counties (above) for total:

County Name	County Number	Tax Paid on Return(s)	Compensation Requested*
Knox	42	\$35*	\$25*

*Amounts that should be shown on the supplemental schedule for the **month**, regardless of the number of licenses held by the entity noted in line 5 of page 1.