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## **Notice of Requirement to File New Report ST CRDO**

The Ohio General Assembly passed legislation, S.B. 218, enacting a new section of the Ohio Revised Code, 5739.24. This section requires cumulative return filers, also known as master account holders (account numbers 89-X3XXXX), to file a new report with the Ohio Department of Taxation every six months. This new report is a Cumulative Filing Report for Destination and Origin Sales (form ST CRDO). The information on this form will allow the Ohio Department of Taxation to determine the amount of compensation that will be provided to impacted counties for loss of revenue that may result due to the change to destination-based sourcing tax collection.

Other changes to Ohio law require retailers to charge sales tax on goods and services based on the location where the customer takes delivery (destination-based) as opposed to where the vendor is located (origin-based). Vendors may have voluntarily begun collecting sales tax based on destination on or after Jan. 1, 2005. Beginning May 1, 2006, vendors with taxable delivery sales in calendar year 2005 of \$30 million or more are required to change to destination-based tax collection. On May 1, 2007, vendors with taxable delivery sales in calendar year 2006 of \$5 million or more are required to change. **All** vendors are required to change to destination-based tax collection on Jan. 1, 2008.

**All** cumulative return filers are required to file form ST CRDO regardless of the way the tax was calculated (destination or origin) and remitted on the UST 1(s) for the six-month period. The first report covers the period Jan. 1 through June 30 and is due July 30. The second report covers the period July 1 through Dec. 31 and is due Jan. 30. A report will be due every six months thereafter unless you are otherwise notified.

If a cumulative return filer has no locations that make destination-based sales, or the vendor is not required to collect on a destination basis due to low amounts of delivery sales, the vendor is still required to submit the form ST CRDO unless otherwise notified. One of the boxes in the top right-hand corner of page one of the form needs to be checked and the form returned by the due date.

The report requires cumulative return filers to complete two columns of information. The first column (A) is the total taxable **sales** (not tax) as reported on form UST 1 for the **entire** six-month period. These figures may include destination-based and origin-based taxable sales. The second column (B) should contain the total taxable sales for this same six-month period as if all taxable sales were origin-based.

**A penalty will be imposed for not timely filing the form ST CRDO.** The penalty will be up to \$100 for each retail location of the cumulative return filer and will include an assessment penalty.

The ST CRDO can be filed electronically through the Ohio Business Gateway at [obg.ohio.gov](http://obg.ohio.gov), in paper form using the enclosed form and envelope, or by fax to 614-466-4977.

If you have any questions regarding your filing requirements, please contact Taxpayer Services at 1-888-405-4039 or e-mail us through our Web site at [tax.ohio.gov](http://tax.ohio.gov).

## Instructions for Completing ST CRDO – Cumulative Filing Report for Destination and Origin Sales

ST CRDO  
Rev. 11/06

When a customer purchases an item and takes possession at the retail location, the rate of tax to charge would be the rate in the county of the retail location (origin-based sales). However, for those sales where the vendor delivers and the customer takes possession of the item sold in a tax jurisdiction other than the retail location, the retailer must charge the tax at the rate in the tax jurisdiction where the customer accepts possession of the item sold (destination-based sales). Vendors could have voluntarily begun collecting tax this way anytime after Jan. 1, 2005. However, if any vendor's taxable delivery sales exceed \$30 million in 2005, the vendor must collect on a destination basis starting May 1, 2006. If the taxable delivery sales exceed \$5 million in 2006, the vendor must collect on a destination basis starting May 1, 2007. Starting Jan. 1, 2008, all vendors that make delivery sales must collect the tax at the rate in effect at the point where the customer takes possession of the item sold. Go to our Web site at [tax.ohio.gov](http://tax.ohio.gov) for more information.

Ohio Revised Code (R.C.) section 5739.24 requires vendors that file cumulative returns to file a separate report to list **sales** made without regard to destination sourcing. That is, even though the vendor may report on form UST 1 a mixture of origin-based sales and destination-based sales, this supplemental report must be filed to show all **sales** as they would have been reported on an origin base. The information provided by this form and information provided by all other vendors, will determine reimbursements as provided in R.C. section 5739.24 to impacted counties that lose revenue due to destination-based sales.

If you have made destination-based sales and need to complete this form, check box 1. If you have not made destination-based sales during this reporting period, but may make destination sales in the future, check box 2 on the front of the form. If you will never make sales on a destination basis, check box 3. If you check boxes 2 or 3, leave the rest of the form blank and mail to the address below. If you made destination-based sales, continue with completing the form. Reports cover the six-month periods of either Jan. 1 through June 30, due July 30, or July 1 through Dec. 31, due Jan. 30.

**Column A** – List on each county line the total amount of taxable sales, **not tax**, for each county as reported on the UST 1(s) for the six-month reporting period. This would be the sales that apply to the counties where the customer took possession of the items sold. This may be a mixture of origin-based sales and destination-based sales.

**Column B** – For the same six-month period, list the taxable sales made from each retail location, assuming that all sales were origin-based sales and customers took possession of the items at the retail location.

### Helpful Hints:

The taxable sales reported in Column A should match the totals for each county as reported on the monthly sales tax return, UST 1.

Sales totals for columns A and B should be equal.

The report should list the taxable sales, not the tax that was collected.

Only report sales that are made from retail locations for which you hold a regular county vendors license. Sales from service or transient vendor's licenses should not be included on this form. Sales made from non-Ohio locations into Ohio, or from Ohio locations to customers outside Ohio should not be included

Motor vehicle and watercraft dealers should not include sales of motor vehicles and watercraft on this return as they are not reported on the UST 1 in the county taxable sales portion of the return.

**Example:** Corporation A has two retail locations in Montgomery and Greene counties and files a cumulative report. Each location made origin and destination sales and completed form UST 1 as follows:

Destination	Store 1 Montgomery	Store 2 Greene	Total
Greene	\$1,200	\$3,200	\$4,400
Miami	1,500	1,300	\$2,800
Montgomery	2,800	1,800	\$4,600
Preble	600	800	\$1,400
Total	\$6,100	\$7,100	

Corporation A would complete form ST CRDO like this:

County Name	County Number	Column A – Taxable SALES Destination	Column B – Taxable SALES Origin
Greene	29	\$4,400	\$7,100
Miami	55	2,800	
Montgomery	57	4,600	6,100
Preble	68	1,400	
Total		\$13,200	\$13,200

***This report is required to be filed even if the vendor does not make delivery sales across tax jurisdictions. Failure to file this report could subject the vendor to penalties up to \$100 per retail location operated by the vendor.***

If you have any questions, please contact us at 1-800-304-3211 or 1-888-405-4039. Ohio Relay Services for the hearing or speech impaired – 1-800-750-0750.