



Ohio Department of
TAXATION

Taxpayer Services Division
P.O. Box 182215
Columbus, OH 43218-2215

This Packet Contains Your
Universal Sales Tax Returns

and Related Forms for the Year

2008

Dated Material Enclosed



Please Read Instructions Carefully



Dear Vendor:

This packet contains your Ohio universal sales tax return (form UST 1) for reporting periods in calendar year 2008. Please review the returns and instructions thoroughly as some changes have been made that may apply to you.

For vendors that are required to make accelerated payments by electronic funds transfer, a change in the law effective Jan. 1, 2008 will reduce the number of payments required to be made each month. Previously you were to make two accelerated payments for each reporting month, and a third and final payment of the liability for the month with the filing of the tax return. Now, you will only be required to make one accelerated payment each month. The tax return has been revised so that you can pay the accelerated payment due for the following month with the current month's tax return, allowing you to make only **one** combined payment each month instead of two separate payments. This feature is available whether you file a paper return or file electronically through Ohio Business Gateway.

The Ohio Department of Taxation is continuing to improve efficiency and reduce costs by electronically scanning and imaging your returns. If you choose to file paper returns, please only use the forms in this packet. You may also go paperless by filing your return and making payment through Ohio Business Gateway, which is starting its seventh year of providing a safe and secure environment for filing tax returns and for use in making payments for several agencies of the state of Ohio. I encourage you to visit **obg.ohio.gov** to review the electronic filing options that are available.

While Ohio continues to be part of the Streamlined Sales Tax Project, the requirement for some vendors to change from origin-based sourcing to destination-based sourcing on Jan. 1, 2008 has been suspended. Read more about this in the "Important New Changes to the 2008 Universal Sales Tax Return (UST 1)" section on page 3.

These changes are meant to improve Ohio's sales tax system. With your support, I am confident the system will work better, cost less and save taxpayer dollars.

Sincerely,

A handwritten signature in cursive script that reads "Richard A. Levin".

Richard A. Levin
Tax Commissioner

Important New Changes to the 2008 Universal Sales Tax Return (UST 1)

Accelerated Tax Payments

There has been a change in the law for those vendors who are required to make accelerated tax payments by electronic funds transfer (EFT). Vendors are only required to make **one** accelerated payment per month, instead of two, beginning in 2008.

Starting Jan. 1, 2008, you will only be required to make one accelerated payment per month instead of two. The payment is due on or before the 23rd day of each month. The accelerated payment must be equal to 75% of the anticipated tax liability for that month. If you make a payment that is less than 75% of the actual liability for that month, the tax commissioner may impose an additional charge not to exceed 5% of that unpaid amount. However, no additional charge will be imposed as long as your accelerated payment is equal to or greater than 75% of your reported liability for the same month in the immediately preceding calendar year.

The Ohio sales tax return has been modified to allow you to make the accelerated payment with the current month's return, thus eliminating the need for you to make two separate payments. You can make just one payment per month after the January 2008 transition month.

Here's how it will work: On or before Jan. 23, 2008, you will file and pay the balance of the December 2007 sales or use tax return, claiming the accelerated payments made during the month of December. Also due by Jan. 23 is the one and only accelerated payment for January 2008. In order to receive proper credit on the affected returns, two separate payments must be made: one that pays the balance of the December 2007 tax liability and one that pays 75% of your anticipated January 2008 tax liability.

Then, starting with the January 2008 return that is to be filed and paid on or before Feb. 23, 2008, the amount of the February 2008 accelerated payment can be added to a new line on the return and paid together as one payment with the balance of the tax due for January. Therefore, you only have to make

one payment per month. The Ohio Department of Taxation will transfer the amount designated by you on the accelerated payment line to the next return period. You still have the option to make accelerated payments separate from the return final payment. If you do so, do not complete the new tax return line designated for "accelerated payment for next reporting period." Any amount stated on this line will be transferred to the next period, which may leave the current return underpaid and result in the issuance of a billing notice.

Note: If you have a credit balance or overpayment after completing the December 2007 return, do **not** carry this amount forward to the January 2008 return. You must apply for a refund of this amount on form ST AR, Application for Sales/Use Tax Refund. With the new requirement to make the accelerated payment based on anticipated liability, there should be no more overpayments. Form ST AR can be found on the Ohio Department of Taxation's Web site at tax.ohio.gov.

Streamlined Sales Tax and Destination-Based Sourcing

Vendors that make deliveries of goods sold into taxing jurisdictions other than where the retail sale occurred were required to change from origin-based sourcing to destination-based sourcing on Jan. 1, 2008. That requirement has been suspended. The only taxpayers that are required to collect tax based on the destination rate are those that had more than \$30 million in delivery sales in calendar year 2005 and any vendor that voluntarily chose to collect the tax on a destination basis.

Due to the use of our new scanning equipment, please use only an approved form UST 1 (see the form enclosed in this packet or download it from our Web site at tax.ohio.gov). If you wish to re-create the form, you can contact our Forms Printing Division for form specifications at Ohio Department of Taxation, Attention: Forms Printing Division, 4485 Northland Ridge Blvd., Columbus, OH 43229-6596. You can also request the form by calling toll-free 1-800-282-1782.

The Finder

Need help in determining sales tax rates? Go to our Web site at tax.ohio.gov and select **The Finder**.

How Can I File and Pay My Taxes?

There Are Three Ways To File and Pay Your Sales Tax

- ✓ Use the returns in this packet and mail with payment of the tax due.
- ✓ Use the Internet. Go to our Web site at tax.ohio.gov and click on **Ohio Business Gateway**.
- ✓ **TeleFile** by calling toll-free 1-800-697-0440. See the instructions, below.

Vendors who use Ohio TeleFile must meet all of the following conditions:

1. You are a registered Ohio vendor.
2. You have a touch-tone telephone.
3. Your vendor's license number begins with 01 through 88.
4. You are reporting sales only for the county of your vendor's license or you have no sales tax to report.
5. You are reporting tax for a period after December 2005.
6. You did not make any accelerated payments for the reporting period and you are using short form UST 1.

What If My Return Has a Balance Due?

The Ohio Department of Taxation now offers two payment options through TeleFile. You can pay by electronic check or by the following credit card(s): Discover/NOVUS, MasterCard and American Express. See page 5 for electronic check payment instructions or the credit card insert for payment instructions.

What Do I Need To Have Available When I Call the TeleFile Number?

You will need the header information located on your Telefile worksheet (see enclosed insert), the period end date (mmddyyyy) for the reporting period, the completed UST 1 TeleFile worksheet for the reporting period, your county code from the enclosed insert, and your bank account and routing numbers or valid acceptable credit card.

How Do I Know That My Return Was Accepted?

The TeleFile system will provide you with a 10-digit confirmation number after we have accepted your filing. If at anytime during your TeleFile transaction you become disconnected without receiving your confirmation number, please call again and resubmit your information.

How Do I Sign My TeleFile Return?

The TeleFile script will instruct you on entering a numeric code for your signature. Your return is not filed until you sign the return. You will receive a confirmation number once you have signed your return.

What If I Need To Change an Answer While I Am Using TeleFile?

During your TeleFile call, you will be asked several questions. After you answer each question by using the numbers on your telephone keypad, TeleFile will repeat your answer and ask you if the answer is correct. If you respond with a "no," you will have one more chance to give the correct answer. Once you respond with a "yes" answer, you cannot go back to change the answer unless specifically directed to do so. However, if at any time during the TeleFile call you realize that one of your earlier answers was wrong, just hang up and start again.

What Should I Do if I Need To Correct My Return Once I Have TeleFiled?

You must file an amended return in paper format or through Ohio Business Gateway.

What Should I Keep in My Records To Verify My Filing and/or Payment?

The TeleFile system will provide you with a 10-digit confirmation number after we have accepted your filing. Please enter the confirmation number in the appropriate box on your worksheet. If you choose to pay by credit card, you will receive a separate confirmation for your payment. Please enter this number in the appropriate box on the credit card sheet (see the enclosed insert).

Electronic Check Information

You may electronically transfer money from your checking or savings account to pay the balance of the tax you owe on your sales tax TeleFile return. This eliminates the need to write and send a paper check. The authorized amount will come out of your account within 24 hours unless you elect to delay payment. Payment can be delayed up until the payment due date. Regardless of the date you choose, you must make sure that the money is in your account and available at that time.

How TeleFile and Electronic Check Payment Works:

First, determine whether you want your tax amount to come from a business or personal bank account.

Second, identify if it is a checking or savings account and be prepared to provide your bank routing number and your account number. See the sample check below for location of these numbers. If you are not sure of your bank routing num-

ber or your account number, please verify it with your financial institution.

Write your account information here and refer to it when TeleFile asks you to enter the information.

Check one: Business Personal

Check one: Checking Savings

Bank routing number

Bank account number

Jon's Cafe
300 Park Way
Hometown, OH 43200

8336

20

PAY TO THE ORDER OF \$

DOLLARS

YOUR TOWN BANK
Hometown, OH 45300

Routing number: 044036036

Account number: 40404001159

memo

8336

Do not include the check number

SAMPLE

Note: The routing and account numbers may appear in different places on your check.

Please indicate whether the account from which you are paying your tax is a **checking or savings** account.

The first two digits of the **routing number must be 01 through 12, or 21 through 32**. Do not use a deposit slip to verify the number because it may contain internal routing numbers that are not part of the actual number. On the sample check above, the routing number is 044036036.

The **account number can be up to 17 digits**. Omit hyphens, spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check, above, the account number is 40404059. **Do not** include the check number.

2008 Ohio Universal Sales Tax Return (UST 1) Instructions

Sales tax is generally collected at the rate in effect in the county where the consumer takes possession of the item sold, or receives the benefit of the service performed. Please read "Important New Changes to the Universal Sales Tax Return (UST 1) for 2008" on page 3. While most sales occur at the vendor's place of business, some taxable transactions may occur in a county different from the vendor's place of business. These instructions will guide you through the process of filing a return that covers many taxing jurisdictions.

STEP 1: Complete the back of the UST 1 short form or pages 2-4 of the UST 1 long form.

County name – If not preprinted, enter the first four letters of the county name for those counties where you have made taxable sales, or delivered items or services.

County code – Enter the two-digit code that applies to the county name. Please refer to the enclosed Combined State and Local Tax Rate Table for county names, code numbers and rates.

Taxable sales – Enter under taxable sales the total amount of reportable taxable sales for each county in which you have locations or where reportable taxable sales were made. **Special Note:** Do not include sales of motor vehicles, titled watercraft and/or titled outboard motors that were reported to Ohio clerks of courts or the Ohio Department of Taxation on the Nonresident Watercraft Return.

Tax liability – Enter under tax liability the total (combined state and local tax) amount of tax due for those reportable taxable sales indicated. **Special Note:** Do not include taxes on sales of motor vehicles, titled watercraft and/or titled outboard motors that have been paid to Ohio clerks of courts or to the Department of Taxation on sales to certain nonresidents of Ohio.

Note: If any sales or tax figure in the county section of the UST 1 is negative, shade the negative sign ("–") in the box immediately preceding the sales or tax figure.

Total each column and enter the totals on lines 5 and 6 on the front side of the return. The totals cannot be negative numbers.

STEP 2: Complete the front side of the return, lines 1-9.

Line 1 – Gross sales: Enter total sales of tangible personal property and selected services. **Do not include the actual sales tax charged.** Qualifying bad debts may reduce gross sales. See Tax Commissioner Rule 5703-9-44 for details. Gross sales may be reduced by returned taxable sales on which the full purchase price and tax were refunded or credited to the purchaser. If the full purchase price and tax were not refunded on taxable sales, the law does not permit any reduction from gross sales. Gross sales may also be reduced by cash or term discounts claimed to reduce the taxable price of an item or service, provided that the tax was charged and paid on the full price on the previous return period, and

the customer exercised the discount option when payment was made.

Line 2 – Exempt sales: Enter the total exempt sales. This includes, but is not limited to, sales to holders of direct payment permits and sales covered by valid exemption certificates. **Note:** Exempt sales may not be larger than gross sales.

Line 3 – Net taxable sales: Subtract line 2 from line 1.

Line 4 – Sales where tax was paid to the clerk of courts:

Motor vehicle dealers – Enter the total sales (purchase price or tax base) of motor vehicles for the reporting period for which you have receipts from clerks of courts showing tax paid, or paid tax through Ohio Business Gateway on sales to certain nonresidents. This includes automobiles, trucks, trailers and other motor vehicles that are required to be titled. **Do not** enter the tax paid to the clerks of courts on this line.

Watercraft/outboard motor dealers/sellers – Enter the total sales (purchase price or tax base) of watercraft and outboard motors for which you have receipts from clerks of courts showing tax paid. This includes watercraft and outboard motors that require an Ohio title but does not include documented watercraft, watercraft under 14 feet, outboard motors under 10 horsepower and nontitled trailers. **Do not** enter the tax paid to the clerks of courts on this line.

Line 5 – Reportable taxable sales: Subtract line 4 from line 3. This should equal the total taxable sales reported in the county section of the return.

Line 6 – Tax liability: Enter the greater of the tax collected or that which should have been collected. This should equal the total tax liability reported in the county section of the return. No negative numbers are allowed on lines 1 through 6 of the UST 1.

Line 7 – Discount: Enter .75 of 1% (.0075) of line 6 if the UST 1 return and full payment are received by the Ohio Department of Taxation on or before the due date.

Line 8 – Additional charge: If the return is to be **received** by the Ohio Department of Taxation after the due date or without full payment of the amount due, enter \$10. However, certain billing or delinquent programs may apply an additional charge of \$50 or 10% of the tax, whichever is greater. If the tax is paid late, interest from the due date of the tax will accrue until the date of assessment or payment, whichever comes first. **Taxpayers should not attempt to report interest on their sales and use tax returns.** Instead, interest found due by the Ohio Department of Taxation will be automatically billed.

Line 9 – Net amount due: Line 6 minus line 7 **or** line 6 plus line 8. Pay this amount if you do not make accelerated payments. Make remittance payable to the Ohio Treasurer of State, write your vendor's license number and reporting period on your remittance, and mail to the Ohio Department of

Taxation, P.O. Box 16560, Columbus, OH 43216-6560. If you do make accelerated payments, proceed to the instructions for line 10.



STEP 3 – Proceed only if you are required to make payment by electronic funds transfer (EFT) and have made the proper accelerated payments. If payment of balance due is made by EFT, please X the EFT box to indicate how the payment was made.

Line 10 – Accelerated payments made: Enter the amount of the accelerated payment made for the month of the reporting period.

Line 11 – Accelerated payment for next reporting period: Enter the amount of the accelerated payment needed for the next reporting period (the period after the period of the current return). For example, if you are filing the January return in February, you are making the accelerated payment for February. This amount must be included in the payment on line 12 and will then be credited to that month.

Tip: You still have the option to make the accelerated payment separate from the balance due for the tax return. If you do so, do not complete line 11. Any amount stated on this line will be transferred to the next period, which may leave the current return underpaid and result in the issuance of a billing notice. For example, if the accelerated payment and the balance due for the tax return are paid by one EFT transfer, then line 11 needs to be filled out with the amount of the accelerated payment intended for the next reporting period. If, on the other hand, the accelerated payment and the balance due for the tax return are paid by two separate EFT transfers, then line 11 should be left blank.

Line 12 – Balance due: The amount on line 9, less the amount on line 10, plus the amount on line 11. Pay this electronically by using one of the several payment options below.

Return Filing and Payment Options

You can **file** your return by:

- Paper return from this packet
- Ohio Business Gateway (**obg.ohio.gov**)
- Ohio TeleFile – limited use, please refer to TeleFile instructions

You can **pay** your return by:

- Paper check submitted with the paper return (unless required to pay by EFT)
- Ohio Business Gateway, with the filing of the return (**obg.ohio.gov**)
- EFT through the Ohio Treasurer of State (**eft.tos.ohio.gov**)
- Ohio Telefile – please refer to TeleFile instructions

You can **make accelerated payments electronically** by:

- Ohio Business Gateway (**obg.ohio.gov**)
- EFT through the Ohio Treasurer of State (**eft.tos.ohio.gov**)
- Ohio TeleFile – Please refer to TeleFile instructions

For Cumulative Filers Only Account #89X3XXXX

It is important to note that you are still required to obtain and maintain an active vendor's license for each fixed place of business. You are also reminded that you **must report** your taxable sales and tax liability on a county-by-county basis, **not** on a location-by-location basis. You are, however, required to maintain in your records a location-by-location breakdown of your sales and tax activity for audit purposes.

Cumulative filers may make over-the-counter sales, delivery sales or both. Over-the-counter sales should be reported in the county of the store location. If you choose to collect tax by destination, delivery sales into counties other than where the sale was made must be reported in the county where the delivery was made.

Amended Returns

If an amended return is necessary due to the change in the information provided on the original return, **please check the box on the front of the return to signify that this is an amended return.** If you need to file an amended return for a period that contained an accelerated payment on line 11, you cannot change the amount originally stated on this line.

If an amended return creates an overpayment on the return period, you must complete form ST AR (refund application). The refund application with the amended return and back-up documentation should be sent to the address on the refund application.

Proper Completion of Your Returns

To ensure that your sales and tax information is properly captured and that your account is properly credited, please follow these guidelines when preparing your returns.

1. Use blue or black ink. Do not use pencil.
2. Make hand-written characters as close to the following example as possible.



3. If you had no sales for the reporting period, indicate this by showing zeros (00) in the cents column of line 1. Do not use straight lines. **Tax returns must be timely filed even if no tax is due.**
4. Other than as stated in number three above, leave other lines blank if they do not apply.

Visit our Web site for sales and use tax information, selected forms and periodic updates.

**You can e-mail us through our Web site at:
tax.ohio.gov**

**Visit Ohio Business Gateway at:
obg.ohio.gov**

To Request Selected Forms	1-800-282-1782
Regarding Sales and Use Tax Registration	1-888-405-4089
Regarding General Sales and Use Tax Questions	1-888-405-4039
Regarding Questions About a Billing Notice	1-888-297-3540
Ohio Relay Service for Hearing or Speech Impaired	1-800-750-0750
Ohio Business Gateway Help Line	1-866-644-6468
Ohio Streamlined Sales Tax Program Hotline	1-800-304-3211

**Walk-in services are available at all office locations
Monday through Friday, 8:00 a.m. to 5:00 p.m.**

Akron Taxpayer Service Center

Akron Government Center
161 S. High St., Suite 501
Akron, OH 44308-1600

Cincinnati Taxpayer Service Center

900 Dalton Ave. at W. 8th St.
Cincinnati, OH 45203-1171

Cleveland Taxpayer Service Center

615 W. Superior Ave.
Fifth Floor, Suite 570
Cleveland, OH 44113-1891

Columbus Taxpayer Service Center

30 E. Broad St., 20th Floor
Columbus, OH 43215-3414

OR

4485 Northland Ridge Blvd.
Columbus, OH 43229-6596

Dayton Taxpayer Service Center

40 S. Main St., 5th Floor
Dayton, OH 45402-2089

Toledo Taxpayer Service Center

One Gov't. Center, Suite 1400
Toledo, OH 43604-2232

Youngstown Taxpayer Service Center

242 Federal Plaza West, Suite 402
Youngstown, OH 44503-1294

Zanesville Taxpayer Service Center

601 Underwood St.
Zanesville, OH 43701-3786

Business Taxpayer Services

Phone: 1-888-405-4089
Fax: 1-614-387-1851

Taxpayer Support Unit

Fax: 1-614-466-8892