

Important New Changes to the 2008 Universal Use Tax Return (UUT 1)

The universal use tax (UUT 1) long form has changed for 2008. Because of this change, please **do not use** old forms. The short form remains unchanged. The long form is a four-page return. Be sure to complete and submit all four pages. Page 1 of the long form has been updated to allow for changes to the accelerated payment process described below. The tax return also has a box containing a negative sign (“-”) in front of the purchase and tax figures. If the number you are entering is a negative number, please shade the box containing the “-” sign.

Accelerated Payment Changes

There has been a change in the law for those consumers and direct pay holders who are required to make accelerated tax payments by electronic funds transfer (EFT). They will only be 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 use tax returns have 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 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.

Due to the use of our new scanning equipment, please use only an approved form UUT 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.

2008 Universal Use Tax Return (UUT 1) Instructions

Use Tax – General Comments

The Ohio use tax was enacted in 1936 as a companion to the Ohio sales tax. All states that have a sales tax have a companion use tax. Basically, the use tax applies to all taxable purchases when insufficient sales or use tax has been paid.

The total amount of use tax can be composed of the state rate plus any local rate (county permissive, transit and additional county taxes) less any sales or use tax paid to your supplier.

State Sales and Use Taxes

The state rate is due when taxable goods and/or services are purchased from suppliers in Ohio or outside of Ohio for use, storage or consumption in Ohio. The tax is due when the purchases are made or when used, stored or consumed in a taxable manner when the purchase date is indeterminate.

Local Sales and Use Taxes

Local taxes are due when taxable goods or services are purchased and/or used in a county that has enacted local taxes.

For example:

- 1) If taxable goods or services are purchased from a supplier located in another state or county but used, stored or otherwise consumed in a county with local taxes, the local taxes due would be based on the taxes due where the goods or services are used, stored or otherwise consumed;
- 2) If taxable goods or services are purchased from a supplier in the same county in which the goods or services are used, stored or otherwise consumed, local taxes would be due for that county;
- 3) If you purchase taxable goods or services from an Ohio supplier located in a county that is different from the county in which the goods and/or services are used, stored or otherwise consumed:
 - a) the amount of local taxes due are based on the county where the purchases are made; OR
 - b) the amount of local taxes due are based on the county where the goods and/or services are used, stored or otherwise consumed if the county of purchase is indeterminate; OR
 - c) the amount of additional local taxes that are due when the county of use, storage or other consumption is in a county that has a higher local tax rate from the county where the goods and/or services were purchased.

Total Tax Liability

Add together all of the amounts in the tax liability column and place that amount on the line marked "net amount due." Make your check payable to Ohio Treasurer of State.

Persons that make payment by EFT and make accelerated payments should complete the following lines:

Line 1: Enter the amount of the accelerated payment that was made by EFT for this return period month.

Line 2: Enter the amount to be designated as an accelerated payment for the next return 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 3 and will then be credited to that month. The

amount should be at least 75% of the anticipated liability for that month, or at least 75% of the tax liability paid for the same month of the previous year.

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 2. 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 2 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 2 should be left blank.

Line 3: Balance due. This is the net amount due, minus line 1 and plus line 2.

The "accelerated payment and credit carryover" line has been removed. If you had a carryforward at the end of December 2007, you must apply for a refund on form ST AR. This form can be found on the Ohio Department of Taxation's Web site at tax.ohio.gov.

With the new accelerated payment amounts set at 75% of anticipated or previous liability, there should be no more overpayments. If one should occur, apply for a refund on form ST AR.

Mailing and Payment Instructions

Returns must be **received** by the tax department on or before the 23rd day of the month following the close of the reporting period. Mail your completed return and remittance to the Ohio Department of Taxation, P.O. Box 16561, Columbus, OH 43216-6561. For those consumers and holders of direct payment permits, your electronic payment can be made through Ohio Business Gateway (obg.ohio.gov) or through the Ohio Treasurer of State. Contact the treasurer at 1-877-338-6446 concerning registration and information on the electronic filing procedures.

For additional information on Ohio taxes, contact our Taxpayer Service Center at 1-888-405-4039.

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 the 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