

Use Tax Rate Code Reporting Change

Pursuant to Am. Sub. House Bill 49 of the 132nd General Assembly (HB 49), counties must levy sales and use taxes in increments of one-tenth of one percent (.10%). Prior to HB 49, the county rate could be levied in increments of one-quarter of one percent (.25%). Effective January 8, 2018, the county rate used on the use tax returns (UUT-1) will be reported in increments of five one-hundredths of one percent (.05%). The state rate will continue to be reported in one-quarter of one percent (.25%) increments. All returns received by the Department after December 31, 2017 will need to be reported using this new format.

For example, if use tax is due for both Franklin County (1.75%) and the state (5.75%) on taxable purchases. The county portion is reported as the 2-digit county number (25 for Franklin County) and the rate (1.75% divided by .05% = 35). The new Franklin County rate code is 2535. The state portion of the rate code remains unchanged (8923) and is made up of the state code (89) and the rate (5.75% divided by .25% = 23).

The Ohio Business Gateway will be updated with the new rate increments effective January 8, 2018. If you have been approved to file by paper, the Department mailed an updated return to you, which must be used to report the December 2017 filing period end. The preprinted returns you will receive for 2018 will be in the updated format.

Please visit our website at <https://www.tax.ohio.gov/> or contact the Department at 1-888-405-4039 with any questions regarding use tax.

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