

and local media to highlight significant events and policy changes, arranges news conferences or events to spotlight major issues, and is the first line of contact in responding to media questions and requests for interviews.

A wealth of general public information about ODT and the taxes it administers, including the latest tax news and information releases, frequently-asked-questions, contact information, and historical statistics, is available on the department's Web site, [tax.ohio.gov](http://tax.ohio.gov). The content of this increasingly important resource is managed by the Communications Office, with the support of liaisons in every division who provide updates in their specific areas. The Web site registers over five million visits annually. An internal Intranet site, TAXI, provides a database of department and job-related information, while at the same time serving as an electronic bulletin board of upcoming events.

The Communications Office, in partnership with Information Services Division, launched a major new public outreach in Fiscal Year 2006 with the OHTAX-Alert e-mail notice system. This feature allows taxpayers to subscribe to either a tax-specific or a general tax list and receive the latest updates as well as news and information releases related to their topics of interest. More than 14,000 taxpayers subscribed to this service during the fiscal year.

Several publications coordinated and prepared by the Communications Office provide specific tax and statistical information to both the public and private sectors. These publications include the yearly **Annual Report and Ohio's Taxes: A Brief Summary of State and Local Taxes in Ohio** as well as the quarterly **Ohio's State Tax Report**, periodic **Business Tax Guide**, and several other informational brochures and papers.

Communications publishes a monthly newsletter, **The Collector**, in both a print and an electronic version. This publication serves the department's employees by reporting significant professional and personal milestones, updates on new procedures or procedural changes, and articles on departmental programs. The TAXI Intranet site also contains a weekly feature story on people and events within the department.

As of June 30, 2006, five full-time employees worked in the Communications Office.

The Communications Office uses news releases, media events, the Internet and Intranet, and publications to support the primary ODT mission of providing quality service through the timely delivery of information to both external and internal audiences that helps everyone understand their responsibilities and comply with the tax law.

## OFFICE OF CHIEF COUNSEL

The Office of Chief Counsel is responsible for the tax legal affairs of the Department of Taxation. It is divided into five areas: the Problem Resolution Office, Appeals Management Division, Bankruptcy Division, and the Tax Appeals Division, as well as Legal Counsels that provide assistance with specific taxes. The Office of Chief Counsel is also responsible for enacting, amending or rescinding rules promulgated by the Tax Commissioner (see **Rule Review**

chapter) and shares responsibility for the issuance of information releases with other divisions of the department.

## Appeals Management Division

The Appeals Management Division serves as liaison with the Attorney General's office for all litigation that involves the department, except personnel actions. Much of the work of the division involves the mediation of appeals at the Board of Tax Appeals and Ohio Supreme Court. In April 2005, the Resolution Unit was added to the division to work with the Offers in Compromise program and settlements concerning assessments certified to the Attorney General's Office. The Appeals Management Division had nine employees as of June 30, 2006.

**Note:** all case information shown below is on a calendar year basis.

### Tax Appeals Cases

Bd. of Tax Appeals	Courts of Appeals	Ohio Sup.Ct.
Cases on appeal beyond Taxation		
as of 12/31/05:		
397	1	32
as of 12/31/04:		
323	0	32

## Bankruptcy Division

The Bankruptcy Division handles the filing of the department's Proofs of Claims with various Bankruptcy Courts throughout the country. The Bankruptcy Division had eleven employees as of June 30, 2006.

### Bankruptcy Proofs of Claims Handled by Bankruptcy Division

Cal.Yr. Filed	Total Notices Received	Total Proofs Processed	Total Amount Filed
Jan. — June 2006	4,633	2,384	\$98,181,434
2005	15,129	3,832	\$52,352,527

## Problem Resolution Officer

The Problem Resolution Officer (PRO), assigned to the Office of Chief Counsel, is a special resource for taxpayers. This individual serves as a liaison between the Ohio Department of Taxation and taxpayers when the normal lines of communication break down. The PRO is authorized by Ohio Revised Code section 5703.52, which states that the PRO or additional persons designated for this office "shall receive and review inquiries and complaints concerning matters that have been pending before the department for an unreasonable length of time or matters to which a taxpayer has been unable to obtain a satisfactory response after several attempts to communicate with the employee of the department assigned to the taxpayer's case or the employee's immediate supervisor."

The PRO works with the appropriate employees and the taxpayer to determine the precise circumstances of the contested issue and to arrive at the appropriate

resolution. Education and explanation regarding the applicable laws and rules is a key part of this process. Most tax situations can be reviewed by the PRO, except for appeals of final determinations of the Tax Commissioner or cases certified to the Ohio Attorney General for collection. The PRO is available to assist taxpayers by mail, telephone, or through the department's Web site.

### Tax Appeals Division

The Tax Appeals Division conducts most of the administrative appeal hearings within the department and issues the Tax Commissioner's final determination in these tax matters. The Tax Appeals Division had nineteen hearing officers and supervisors and four support staff as of June 30, 2006.

#### Final Determinations Issued by Tax Appeals Division

Cal. Yr.	Opening Balance	Cases Received	Cases Out	Ending Balance
2005	1,138	1,528	1,344	1,322
2004	756	1,422	1,040	1,138

### Legal Counsels

The Department of Taxation has ten legal counsels. They are responsible for drafting and reviewing legislation, rules, and information releases. The counsels also draft formal and informal tax opinions.

Legal counsels are assigned to the Personal Property Tax, Office of Chief Counsel, Commercial Activity Tax/Excise, Estate Tax, Sales/Use Tax, Tax Equalization, Compliance, Legislation, and Individual Income/Corporation Franchise Tax divisions.

### Formal Tax Commissioner Opinions Issued

**Calendar Year 2005: 11**

**Calendar Year 2004: 6**

The Office of Chief Counsel provides the legal support necessary to carry out the Department of Taxation's mission of providing quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

### Information Releases Issued/Updated in

**Fiscal Year 2006:**

#### General Information Releases

**G 2006-01** – "Automated Compliance Program Penalties," June 2006.

**G 2005-02** – "OHTAX-Alert – ODT E-Mail Communication Channel of Pertinent Tax Information," issued November 2005.

#### Commercial Activity Tax

**CAT 2006-07** – "Qualified Distribution Centers," June, 2006.

**CAT 2006-06** – "Commercial Activity Tax Credit for Unused Franchise Tax Net Operating Losses," April 2006.

**CAT 2006-05** – "Highway Transportation Services: Bright-Line Presence and

Situsing," April 2006; revised May 2006 and August 2006.

**CAT 2006-04** – "Commercial Activity Tax Cash Discounts, Defined," April 2006; revised May, 2006, June, 2006, and August 2006.

**CAT 2006-03** – "Commercial Activity Tax Definition of Agent," April 2006; revised July 2006 and October 2006.

**CAT 2006-02** – "Suggested Document for the Exclusion for Automobile Dealers to Meet a Customer's Preference," March 2006.

**CAT 2006-01** – "Applicable Excise Tax Rates for Purposes of the Commercial Activity Tax," January 2006.

**CAT 2005-18** – "Temporary Motor Fuel Exemptions from the Commercial Activity Tax," November 2005; revised February 2006.

**CAT 2005-17** – "Taxable Gross Receipt" Defined," revised January 2006 and April 2006.

**CAT 2005-16** – "Examples of 'Common Owners' and Joint Ventures," November 2005; revised January 2006.

**CAT 2005-15** – "Taxpayers Allowed to Change Registration Status Until Due Date of First Return," November 2005.

**CAT 2005-14** – "Nonprofit Organizations," December 2005; revised June 2006.

**CAT 2005-13** – "Estimated Payments for Calendar Quarter Taxpayers," October 2005; revised March 2006.

**CAT 2005-12** – "Request for Member of a Combined Taxpayer Group to File Separately," December 2005.

**CAT 2005-11** – "Qualified Foreign Trade Zone Area (Additional Information)," December 2005.

**CAT 2005-10** – "Qualified Foreign Trade Zone Area," December 2005; revised April 2006.

**CAT 2005-09** – "Sampling," December 2005.

**CAT 2005-08** – "I.R.C. Section 1221 and 1231 Assets Excluded from 'Gross Receipts,'" September 2005; revised May 2006.

**CAT 2005-07** – "Transfers of Property Into the State," December 2005.

**CAT 2005-06** – "Situating Rules for Certain Services," September 2005; revised April 2006, October 2006, and December 2006.

**CAT 2005-05** – "Application of 'Common Owners' and Joint Ventures," September 2005; revised March 2006.

**CAT 2005-04** – "Quarterly Taxpayers Must File and Pay Electronically," December 2005.

**CAT 2005-03** – "Excluded Person – Consolidated Elected and Combined Taxpayer Groups," December 2005.

**CAT 2005-02** – "Nexus Standards," September 2005.

**CAT 2005-01** – "Definition of 'Foreign Corporation' in Chapter 5751," December 2005, **repealed**, April 2006.

### Corporation Franchise Tax

None.

### Estate Tax

**ET 2006-01** – "Estate Tax Updates as a Result of Amended Substitute House Bill 66 (H.B. 66)," January 2006.

**ET 2005-01/PP 2005-02** – "Property and Estate Taxes Have New Interest Rate," September 2005.

**Excise and Motor Fuel Taxes:****Alcoholic Beverages**

None.

**Cigarette and Other Tobacco Products**

None.

**Motor Vehicle Fuel Tax****XT 2005-09** — “Temporary Provisions Regarding the Sale and Use of Dyed Diesel Fuel,” September 2005.**Replacement Tire Fee**

None.

**Ohio Income Tax:****Individual****IT 2006-02** — “Inapplicability of Ohio Resident Credit with Kentucky Corporate Income Tax,” March 2006.**IT 2006-01** — “Individual Income and School District Income Taxes: Estimated Payment Allocation Process Revised Beginning April 1, 2006,” March 2006.**IT 2005-02** — “Employer Withholding Tables — Revised Beginning January 1, 2006,” November 2005.**IT 2005-01** — “Trusts: Estimated Income Tax Payment Due September 15, 2005,” August 2005.**Fiduciary**

None.

**Property Tax:****Personal Property****PP 2005-03** — “Definition of ‘Primarily’ for Dealers in Intangibles Tax,” December 2005.**ET 2005-01/PP 2005-02** — “Property and Estate Taxes Have New Interest Rate,” September 2005.**Real Property**

None.

**Sales and Use Tax****ST 1993-08** — “Employment Service,” revised May 2006.**ST 2005-05** — “Sales and Use Tax Calculation and Rounding Change Effective January 1, 2006,” December 2005.**ST 2005-01** — “Vendor Compensation,” April 2005; revised July 2005.**EMPLOYEE DEVELOPMENT & TRAINING/  
QUALITY PROGRAMS DIVISION**

The Employee Development and Training/Quality Programs (ED&T/QP) Division provides practical and applied professional skills and career development opportunities for all Ohio Department of Taxation employees.

The division works with the tax and administrative divisions to assess their ongoing organizational and staff development needs. It presents appropriate and timely training for all ODT employees including bargaining unit clerical/support and administrative staff, and exempt professional and management/executive staff.

ED&T/QP offers the most comprehensive in-house Management Development Curriculum in state government. A foundation series of workshops for new supervisors — the Basics of Supervision Series (B.O.S.S.) — is augmented by many topic specific seminars in the areas of Leadership, Managing for Performance, Organizational Roles and Responsibilities, and Self-Discovery and Growth. These classes are enhanced by ODT’s membership in the Management Advancement Programs (MAPS) at OSU’s prestigious John Glenn School of Public Affairs. MAPS offers a year round series of workshops and seminars on topics which allow ED&T/QP to work with the management team to involve selected employees in unique learning experiences in an “off-site” environment.

Beyond maintaining a varied year round schedule of skill-based workshops for bargaining unit employees, ED&T/QP staff also coordinates with ODT’s Technical Training Managers to support and enhance technical training requirements throughout the department. ED&T/QP partners with the Information Services Division and other program areas to produce online training such as the annual disclosure training and the Network Remote Access training. Additionally, ED&T/QP coordinates most of ODT’s software and basic computer skills training.

ED&T/QP provides a range of career development services for ODT employees through its CAREER TRAIN cluster of resources which includes: providing individual career counseling/coaching and group career development workshops, coordinating the State of Ohio’s Exempt Professional Development Program (EPDP) and ODT’s TaxTAP tuition reimbursement programs for exempt employees, as well as providing assistance to bargaining unit employees seeking to utilize the Union Education Trust’s (UET) professional development services. ED&T/QP also coordinates ODT employee selection for and participation in the Ohio Certified Public Manager program (OCPM).

ED&T/QP also provides consulting/facilitation services for diverse training and/or organizational development projects such as the relocation in 2005 of over 800 employees to the new Northland facility, process improvement teams in the TPS and Processing Divisions, and representing ODT as “Team Taxation” in the statewide implementation of the new OAKS data management system.

A key responsibility that enhances the quality of all employee training and development efforts is ED&T/QP’s managing and maintaining of a department-wide learning management system (LMS) called TrAX. This LMS supports the goals of employee career and personal growth by supplying the workforce with a tool