



Resort Area Gross Receipts Tax

The resort area gross receipts tax is a business privilege tax that a municipality or township that has declared itself to be a resort area may enact. Revenue from the tax benefits the municipality or township. The tax was authorized by House Bill 327 of the 120th General Assembly, which became law on June 30, 1993.

The village of Kelleys Island enacted the first resort area gross receipts tax in 1993. The village and township of Put-in-Bay followed suit in 1996.

Municipalities and townships may declare themselves to be a resort area and enact the tax if they meet a three-pronged test:

- at least 62 percent of total housing units are for seasonal use as of the last federal census;
- entertainment and recreation facilities are provided within the community that are primarily intended to provide seasonal leisure activity for nonresidents; and
- the municipality or township experiences seasonal peaks of employment and service demand because of a seasonal population increase.

In fiscal year 2015, the tax generated nearly \$1.3 million divided among those jurisdictions that levied it, according to the rates in effect in each.

Taxpayer

(Ohio Revised Code 5739.101)

The resort area gross receipts tax is imposed on persons making general sales, or providing intrastate transportation or other services taxable under the state sales tax base, within a designated resort area.

Tax Base

(R.C.5739.101)

The tax is levied on the privilege of doing business in the resort area. It is measured by gross receipts generated from sales made and services provided within the boundaries of a designated resort area, as well as intrastate transportation to and from such an area.

Gross receipts are defined as activities, without deduction for the cost of goods sold or other expenses incurred, that contribute to the production of the gross income of a business. Gross receipts that are part of the tax base include:

- rentals and leases of tangible personal property such as watercraft, golf carts, bicycles, videos, and fishing tackle.
- wholesale and retail sales, including food consumed on the premises.
- hotel and motel room rentals.
- repair or installation of tangible personal property.
- warranties, maintenance or service contracts.
- sales of certain services that are also subject to sales tax under R.C. 5739.01(B).

Rates

(R.C.5739.101)

The tax may be levied at rates of 0.5 percent, 1.0 percent or 1.5 percent. Currently, only three jurisdictions have enacted the tax: the village of Kelleys Island, the village of Put-in-Bay and the township of Put-in-Bay. The rate in each jurisdiction is 1.5 percent.

Exemptions

(R.C.5739.101)

Sales of food may only be included to the extent such sales are subject to the state's sales tax. Transportation of passengers as part of a tour or cruise in which the passengers will stay in the municipal corporation or township for no more than one hour are exempted from the calculation of the tax.

Credits

There are no credits available against this tax.

Special Provisions

(R.C.5739.101)

The resort area gross receipts tax is not a sales tax or a tax on transactions. It cannot be separately listed on an invoice or receipt to customers, nor can it be collected directly from customers.

Filing and Payment Dates

(R.C.5739.102 and R.C. 5739.103)

There are two semi-annual reporting periods for the tax. Returns are due to the Tax Commissioner approximately

30 days after the close of each reporting period:

- January 1 through June 30 – returns are due July 31.
- July 1 through December 31 – returns are due Jan. 31.

Administration and Disposition of Revenue

(R.C.5739.102)

The Tax Commissioner administers the resort area gross receipts excise tax and distributes the revenue to the general fund of the township or municipality that levied the tax within 45 days after the end of each month that the tax was paid. One percent is withheld and deposited into the GRF to cover the costs of administering the tax.

Ohio Revised Code Citations

R.C. 5739.101 – 5739.104

Recent Legislation

HB 64, 131st General Assembly

The bill authorizes municipal corporations and townships in a county with a population between 375,000 and 400,000 that levies no more than a 0.5% county sales tax

(currently only Stark County meets the criteria) to designate a special district of not more than 200 contiguous acres as a tourism development district (TDD). The bill authorizes a subdivision to levy up to a 2 percent tax on gross receipts from sales made in the district, and permits the levy of a development fee or an admissions tax of up to 2 percent for a TDD in a municipality or up to 5 percent for a TDD in a township to fund tourism and development. The TDD is administered and collected like the Resort Area Gross Receipts Tax, but a taxpayer may separately or proportionately bill or invoice the tax to another person. The bill prohibits the creation or enlargement of a TDD after 2018.

History of Major Changes

1993	The General Assembly enacts House Bill 327, authorizing municipalities or townships that meet certain requirements to declare themselves a "resort area" and levy a resort area gross receipts tax. Shortly thereafter, the village of Kelleys Island enacts the tax.
1996	The village of Put-in-Bay and township of Put-in-Bay both enact the tax.
2015	HB 64 authorized resort area tax for qualified tourism development districts.

Resort Area Tax Distributions, Fiscal Years 2011-2015				
Fiscal Year	Village of Kelleys Island	Village of Put-in-Bay	Township of Put-in-Bay	Total
2011	\$83,119	\$509,874	\$212,888	\$805,881
2012	119,876	646,320	235,914	1,002,111
2013	142,375	642,981	282,322	1,067,678
2014	143,297	735,381	293,698	1,172,376
2015	136,867	820,164	298,213	1,255,244

Source: Ohio Department of Taxation records

Resort Area Gross Receipts Tax Revenue, Fiscal Years 2011-2015			
Fiscal Year	Revenue to Local Governments	State Administrative Fee	Total Tax Revenue
2011	\$818,721	\$8,270	\$826,990
2012	995,528	10,056	1,005,583
2013	1,083,129	10,936	1,094,065
2014	1,154,319	11,660	1,165,978
2015	1,285,222	12,746	1,297,968

Source: Ohio Office of Budget and Management fiscal reports