



Dealers in Intangibles Tax

Taxpayer

The dealers in intangibles tax is paid by firms having an office or other place of business in Ohio and engaged in:

- lending money;
- discounting, buying or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness; or
- buying or selling bonds, stocks, or other investment securities.

Tax Base

The tax base for dealers in intangibles is either:

- shares of stock of incorporated dealers or unincorporated dealers with capital stock divided into shares; or
- capital employed by unincorporated dealers with capital stock divided into shares.

Rates

Eight mills (0.8 percent) of value.

Major Exemptions

The following entities are excluded from the definition of a dealer in intangibles:

- institutions used exclusively for charitable purposes;
- insurance companies; and
- financial institutions.

Revenue (In Millions)

All figures in the following table are on a fiscal year basis, based on data from the Office of Budget and Management. These amounts will not match the calendar year tax liability data contained in the Department of Taxation's Annual Report.

Fiscal Year	General Revenue Fund	Local Portion	Total
2004	\$29.9	\$10.7	\$40.6
2005	25.2	11.4	36.6
2006	19.1	14.5	33.6
2007	18.2	13.1	31.3
2008	22.3	12.2	34.5

Disposition of Revenue

All tax paid by dealers in intangibles that are subsidiaries of a financial institution or insurance company (“qualifying dealers”) is paid into the state General Revenue Fund.

For non-subsidiary dealers in intangibles, the distribution is as follows:

- Three mills of receipts are credited to the state General Revenue Fund.
- Five mills of receipts are distributed to county undivided local government funds based on where the firm’s capital was employed (on the basis of gross receipts).

Payment Dates

Dealers in intangibles must file tax returns by the second Monday in March. The Tax Commissioner certifies the assessment of the shares or property representing capital to the Ohio Treasurer of State by the first Monday of May. Within 20 days, the Treasurer issues a tax bill with payment due 20 to 30 days from the date the tax bill is mailed.

Special Provisions/Credits

- The venture capital tax credit is available to qualified dealers in intangibles.
- The eligible employee training cost tax credit is available to dealers in intangibles.
- The historic preservation tax credit is available against either dealers in intangibles tax, corporation franchise tax, or individual income tax liability to qualified owners of certain historic buildings in Ohio for the expenditures paid or incurred to rehabilitate such buildings.

Sections of Ohio Revised Code

Chapters 150, 5707, 5719, and 5725.

Responsibility for Administration

Tax Commissioner.

History of Major Changes

- 1931** Tax is enacted at 5 mills.
- 1971** Rate is increased to 6 mills, with the additional mill earmarked for the state General Revenue Fund.
- 1987** Rate is increased by two mills to be dedicated to the state General Revenue Fund. Also, the assessment certification date is changed from the first Monday in June to the first Monday in May.

- 2001** Effective for the 2003 tax year, the Ohio General Assembly broadens the tax to include “qualifying dealers” – generally dealers in intangibles that are subsidiaries of a financial institution or an insurance company. All revenue from such taxpayers is directed to the state General Revenue Fund.
- 2005** The venture capital tax credit is made available to qualified dealers in intangibles. Effective beginning in tax year 2006, the term “primarily” is used to determine who meets the definition of a dealer in intangibles by specifying what business they are mostly engaged in.
- 2007** For taxable years beginning July 1, 2007, a refundable tax credit against either the dealers in intangibles tax, the corporation franchise tax, or the individual income tax is made available to certain owners of historic buildings.

Comparisons with Other States (As of 11//07)

No other state has a similar tax on dealers in intangibles.