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H.B. 609
133rd General Assembly

Bill Analysis

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Version: As Passed by the House

Primary Sponsor: Rep. West

Mackenzie Damon, Attorney

SUMMARY

- Establishes a three-month “amnesty” period during which taxpayers owing past-due state taxes, certain state-administered local taxes, and certain fees may discharge the debt by paying the delinquent tax or fee without having to pay the penalty and accrued interest normally due.
- Credits amnesty collections to the funds to which the taxes would be paid, but requires that collections credited to the General Revenue Fund (GRF) be transferred to the Budget Stabilization Fund (BSF).
- Holds the Local Government Fund and the Public Library Fund harmless for the amnesty’s transfer of GRF revenue to the BSF.

DETAILED ANALYSIS

Tax amnesty

The bill establishes a temporary, three-month tax “amnesty” from January 1, 2021 to March 31, 2021, with respect to delinquent state taxes.¹ It also covers delinquent state income tax withholding remittances by employers and certain fees and local taxes administered by the Department of Taxation. (See below for a list of taxes and fees covered under the amnesty.) The amnesty applies only to taxes that were due and payable as of the bill’s effective date and that were unreported or underreported. The amnesty does not apply to any tax for which a

¹ Section 1(B) of the bill.

notice of assessment or audit has been issued, for which a bill has been issued, or for which an audit has been conducted or is pending.²

If, during the amnesty, a person pays the full amount of delinquent taxes or fees owed, the Tax Commissioner must waive all penalties and accrued interest that are normally charged. The bill authorizes the Commissioner to require a person to file returns or reports, including amended returns or reports.

In addition to receiving a waiver of penalties and accrued interest, a person who pays the amount due is immune from criminal prosecution or any civil action with respect to the tax or fee paid, and no assessment may be issued against the person for that tax or fee.³

The most recent general tax amnesty was conducted in 2018.⁴

Covered taxes and fees

The taxes and fees covered under the amnesty are the following:

Income tax	Commercial activity tax
State sales and use taxes	Financial institutions tax
Local sales and use taxes	School district income taxes
Public utility excise taxes	Kilowatt-hour tax
MCF (natural gas) excise tax	Insurance premiums taxes
Cigarette/tobacco/vaping excise taxes	Alcoholic beverage taxes
Motor fuel excise tax	Fuel use tax
Petroleum activity tax	Casino wagering tax
Severance taxes	Wireless 9-1-1 charges
Tire fees	Horse racing taxes ⁵

Administration and revenue disposition

The Commissioner must issue forms and instructions for the amnesty, must publicize the amnesty so as to maximize public awareness and participation, and may take any other action necessary to implement the amnesty.⁶Taxes collected under the amnesty will be distributed in the same manner as the underlying tax liability would have been distributed had

² Section 1(A) of the bill.

³ Section 1(C) to (E) of the bill.

⁴ Section 757.110 of H.B. 49 of the 132nd General Assembly.

⁵ Section 1(A) of the bill.

⁶ Section 1(B) of the bill.

it been paid as required by law. However, all taxes that are credited to the General Revenue Fund (GRF) must subsequently be transferred to the Budget Stabilization Fund (BSF), after subtracting amounts required to be credited to the Local Government Fund and the Public Library Fund. Both of those funds receive a portion of GRF revenues, and will be held harmless from the transfer of collections from the GRF to the BSF, thus allowing those funds to receive their respective shares of the amnesty collections.⁷

HISTORY

Action	Date
Introduced	04-16-20
Reported, H. Ways & Means	05-20-20
Passed House (95-0)	05-20-20

H0609-PH-133/ec

⁷ Section 1(F) and (G) of the bill.