

TAX ALERT

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Ohio Department of Taxation offers 2018 tax amnesty program



On Nov. 13, 2017, the Ohio Department of Taxation (the Department) announced that it will offer a tax amnesty program (the Program) beginning Jan. 1, 2018, and ending Feb. 15, 2018. The Program encourages both individuals and businesses with unreported or underreported tax liabilities that were due and payable as of May 1, 2017, to come forward.

We anticipate the Program might appeal especially to nonresidents of Ohio and to businesses that are unaware of the extent of their Ohio sales and use tax and Ohio commercial activity tax liabilities.

Only tax liabilities that are unknown to the Department are eligible for amnesty under the Program.

Under the Program, taxpayers who fully pay their delinquent taxes will owe no penalties and only half of the interest the Department charges under normal circumstances. The Program covers the following types of taxes:

- Individual Income Tax, including for Ohio residents and nonresidents
- School District Income Tax
- Employer Withholding Tax

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- Employer Withholding for School District Income Tax
- Pass-Through Entity Tax, generally applicable to Ohio nonresident owners
- Sales and Use Taxes
- Commercial Activity Tax
- Financial Institutions Tax
- Tobacco and Alcohol Taxes

In our experience, nonresidents of Ohio are sometimes unaware that they owe Ohio personal income tax on Ohio-sourced income. Similarly, businesses organized outside of Ohio are sometimes unaware that Ohio commercial activity tax might be owed on Ohio-sourced receipts. In addition, some businesses remain unaware that they owe Ohio use tax on taxable purchases of goods and services when the vendor did not charge Ohio sales tax, and some out-of-state vendors remain unaware that they are required to collect Ohio sales tax on sales to Ohio customers if the vendor has nexus with Ohio.

The Ohio Department of Taxation has provided a [website](#) where taxpayers can learn more about the Program.

If you are interested in the Program, you should act quickly to organize materials prior to the start of the Program. For more information or assistance, please contact [Mark Snider](#), [Dave Tumen](#), [Abby Brothers](#) or any member of Porter Wright's [Tax Practice Group](#).