

State, Local Tax Structure

Base State, Local Tax Structure, the State of Ohio

State

Rev. 1/2012

Ohio	
Corporate Income / Franchise	EXEMPT FROM TAXATION
Commercial Activity Tax	\$150, plus 0.26% on excess receipts over \$1.0 million. All out-of-state sales are <u>exempt</u> NOTE: The following organizations are not subject to the commercial activity tax: Financial institutions, Insurance companies, Affiliates of financial institutions / insurance companies that still pay the corporate franchise tax or insurance premiums tax, Dealers in intangibles, Certain receipts by public utilities subject to the public utility excise tax
LLC; S-Corporation; General Small Businesses	Small businesses (<i>classified by the IRS</i>) are taxed through the state's personal income and commercial activity tax
Personal Property	EXEMPT FROM TAXATION NOTE: Current law allows for the implementation of a state-levied tax on personal property. However, no current levy exists
Real Property	EXEMPT FROM TAXATION NOTE: Current law allows for the implementation of a state-levied tax on personal property. However, no current levy exists

Local

Rev. 1/2012

C- Corporations / S-Corporations	Permissive local tax which can be levied by municipalities, villages, joint economic developments areas, and school districts
Commercial Activity Tax	STATE LAW BARS LOCAL IMPLEMENTATION OF A COMMERCIAL ACTIVITY TAX
Personal Property	GENERAL BUSINESS PERSONAL PROPERTY IS EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate
Real Property	Permissive local tax which can be levied by a certified state taxing district. Tax is levied on the taxable value of land, buildings, and improvements, with a statewide assessment rate set at 35% of market value

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	5.5% state tax on classified purchases of capital investments. However, the purchase of qualified manufacturing equipment is <u>exempt</u> from this state tax
Local Tax	Local tax set by counties and local transit districts. However, the purchase of qualified manufacturing equipment is <u>exempt</u> from this state tax

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	5.5% state tax on classified consumer purchases NOTE: Major exemptions include, but are not limited to the purchase of prescription drugs, motor fuel, and food for human consumption off the premises where sold
Local Tax	Local tax, set by counties and local transit districts, on classified consumer purchases SEE ABOVE NOTE IN "STATE SALES TAX"

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with top rate of 5.925% on income over \$204,200 NOTE: A personal exemption is available for each taxpayer and each dependent, the dollar value of the exemption adjusted for inflation each year. In addition, state taxable income under \$15,000 per year is exempt from the state income tax
Local Tax	Local flat tax set by municipal governments and local school districts NOTE: The tax is applied on earned income and other compensation by residents of the municipality and by nonresidents working in the municipality (local government income tax; school district income tax) and the net apportioned profits of business (both incorporated and unincorporated) attributable to activities in the municipality.

State, Local Tax Structure

Comparing Ohio and Illinois

State

Rev. 1/2012

	Ohio	Illinois
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	NEW TAX STRUCTURE <ul style="list-style-type: none"> • Tax rate of 7%, plus 2.5% with personal property replacement tax • 100% sales apportionment
Commercial Activity Tax	<ul style="list-style-type: none"> • NO TAX under \$150,000 of gross receipts • \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 • All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	PIT, plus 1.5% personal property tax on net income
Personal Property	EXEMPT FROM TAXATION	See corporate franchise tax section above
Real Property	EXEMPT FROM TAXATION	None

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	See state corporate franchise tax section
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	None
Real Property	<ul style="list-style-type: none"> • Permissive tax on land, buildings, and improvements • Property assessed at 35% of market value 	Permissive local tax rate, with the taxable value of land, buildings, and improvements set at 33.333% of market value, plus local tax equalization rate

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> • 5.5% state tax rate • Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> • 6.25% state tax rate • Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> • Permissive tax • Purchase of manufacturing equipment exempt 	Permissive local tax on classified consumer purchases

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> • 5.5% state tax • Food and prescription drugs are exempt 	<ul style="list-style-type: none"> • 6.25% state tax, with food tax at a 1% rate • Prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> • Permissive local tax • Food and prescription drugs are exempt 	Permissive local tax on classified consumer purchases

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with a top rate of 5.925% on income over \$204,200	Flat tax with rate of 5.0% as defined by state law
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	None, but local governments receive percentage of state-based personal income tax revenues

State, Local Tax Structure

Comparing Ohio and Illinois, the City of Chicago

The following is a listing of taxes, fees, and service charges that could be levied on a business that is either currently operating in or looking to relocate to the City of Chicago, Illinois

Title	Description
Amusement Tax	Applies to owners, managers, or operators of amusements or of venues where amusements are being held, and resellers or tickets for amusements
Amusement Tax - Subscribers to Paid Television Programing	Applies to businesses who subscribe to paid programming in Chicago whose providers do not collect the 9% Amusement Tax
Boat Mooring Tax	Applies to the mooring or docking of any watercraft for a fee in or on a harbor, river or other body of water within the corporate limits or jurisdiction of the city.
Electricity Infrastructure Maintenance Fee	The Electricity IMF is imposed on electricity deliverers as compensation for using public rights of way in the City of Chicago
Electricity Use Tax	Applies to the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the city. Those granted reseller status by the Department should file form 7578A.
Emergency Telephone System Surcharge - Landline	Applies to businesses that supply network telephone numbers that are billed to a Chicago address.
Emergency Telephone System Surcharge - Wireless	Applies to businesses that supply wireless telephone numbers that are billed to a Chicago address.
Employers' Expense Tax	Applies to businesses that employ at least 50 employees that perform at least 50% of their work in Chicago
Foreign Fire Insurance Tax	Applies to businesses not incorporated in Illinois that provide fire or other types of insurance to Chicago dwellings
Ground Transportation Tax	Applies to businesses that provide ground transportation vehicles for hire for any sort of consideration
Hotel Accommodations Tax	Applies to businesses that rent or lease hotel accommodations
MPEA Airport Departure Tax	Applies to businesses that provide ground transportation for hire to passengers departing from a Chicago airport.
Motor Vehicle Lessor Tax	Applies to businesses engaged in leasing motor vehicles
Non-Retail Transfer of Motor Vehicles Tax	Applies to the non-retail purchase of motor vehicles
Occupation Tax -Natural Gas Distributor and Reseller	Applies to businesses engaged in distributing, supplying, furnishing, or selling natural gas
Parking Tax	Applies to businesses that operate parking lots, which must collect from customers and remit to the Department.
Personal Property Lease Transaction Tax	Applies to businesses or individuals that either are a lessor or lessee of personal property used in Chicago.
Real Property Transfer Tax	Applies to businesses that transfer a title to real property located in Chicago.
Telecommunications Tax	Applies to telecommunication retailers for all gross charges.
Use Tax for Non-Titled Personal Property	Applies to purchases of non-titled tangible personal property outside of Chicago for use inside Chicago.
Use Tax for Titled Personal Property	Applies to purchases of titled tangible personal property outside of Chicago for use inside Chicago.

State, Local Tax Structure

Comparing Ohio and Indiana

State

Rev. 1/2012

	Ohio	Indiana
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	<ul style="list-style-type: none"> Tax rate of 8.5%, with 90% sales apportionment Note: The tax rate is to be reduced on the following schedule, after June 30, 2012, and before July 1, 2013: 8.0%, after June 30, 2013, and before July 1, 2014: 7.5%, after June 30, 2014, and before July 1, 2015: 7.0%, after June 30, 2015: 6.5%
Commercial Activity Tax	<ul style="list-style-type: none"> NO TAX under \$150,000 of gross receipts \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	See state personal income tax
Personal Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate is \$0.0024 per \$100 of market value Property assessed at 100% of market value
Real Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate is \$0.0024 per \$100 of market value Property assessed at 100% of market value

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	Permissive local tax
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	<ul style="list-style-type: none"> Permissive tax on classified personal property Variable property assessment
Real Property	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 35% of market value 	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Variable property assessment

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax rate Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> 7% state tax rate Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> Permissive tax Purchase of manufacturing equipment exempt 	None

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax Food and prescription drugs are exempt 	<ul style="list-style-type: none"> 7% state tax Food and prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> Permissive local tax Food and prescription drugs are exempt 	None

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with a top rate of 5.925% on income over \$204,200	Flat tax rate of 3.4% as defined by state law
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	Permissive local tax set (flat tax rate) by municipal governments

State, Local Tax Structure

Comparing Ohio and Kentucky

State

Rev. 1/2012

	Ohio	Kentucky
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	<ul style="list-style-type: none"> Progressive, with top rate of 6.0% on income over \$100,000 Double sales factor apportionment
Commercial Activity Tax	<ul style="list-style-type: none"> NO TAX under \$150,000 of gross receipts \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	Greater of limited liability entity tax or \$175 in gross receipts or gross profits
Personal Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate on machinery at \$0.15, furniture at \$0.45, inventory at \$0.05 \$100 of market value Property assessed at 100% of market value
Real Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate is \$0.120 per \$100 of market value Property assessed at 100% of market value

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	Permissive local tax
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	<ul style="list-style-type: none"> Permissive tax on classified personal property Property assessed at 100% of market value
Real Property	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 35% of market value 	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 100% of market value

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax rate Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> 6% state tax rate Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> Permissive tax Purchase of manufacturing equipment exempt 	None

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax Food and prescription drugs are exempt 	<ul style="list-style-type: none"> 6% state tax Food and prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> Permissive local tax Food and prescription drugs are exempt 	None

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with a top rate of 5.925% on income over \$204,200	Progressive tax, with a top rate of 6% on income over \$75,000
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	Permissive local tax set (flat tax rate) by counties, municipal governments, and local school districts

State, Local Tax Structure

Comparing Ohio and Michigan

State

Rev. 1/2012

	Ohio	Michigan
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	NEW TAX STRUCTURE <ul style="list-style-type: none"> • Tax rate of 6%, with 100% sales apportionment • Small business (LLC, S-corps., etc.) subject to state personal income tax
Commercial Activity Tax	<ul style="list-style-type: none"> • NO TAX under \$150,000 of gross receipts • \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 • All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	See state personal income tax
Personal Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> • State tax rate is \$0.30 per \$100 of market value • Property assessed at 50% of market value
Real Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> • State tax rate is \$0.30 per \$100 of market value • Property assessed at 50% of market value

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	Permissive local tax
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	<ul style="list-style-type: none"> • Permissive tax on classified personal property • Property assessed at 50% of market value
Real Property	<ul style="list-style-type: none"> • Permissive tax on land, buildings, and improvements • Property assessed at 35% of market value 	<ul style="list-style-type: none"> • Permissive tax on land, buildings, and improvements • Property assessed at 50% of market value

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> • 5.5% state tax rate • Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> • 6% state tax rate • Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> • Permissive tax • Purchase of manufacturing equipment exempt 	None

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> • 5.5% state tax • Food and prescription drugs are exempt 	<ul style="list-style-type: none"> • 6% state tax • Food and prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> • Permissive local tax • Food and prescription drugs are exempt 	None

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with top rate of 5.925% on income over \$204,200	Flat tax with rate of 4.25% as defined by state law
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	Permissive local tax set (flat tax rate) by municipal governments

State, Local Tax Structure

Comparing Michigan's Old and New Tax Structure

	Tax Structure, Prior to December 31, 2011	Tax Structure, Effective As Of January 1, 2012
Corporate Income, Franchise	<p>Known as the Michigan Business Tax, or MBT</p> <ul style="list-style-type: none"> Split tax rate: <ul style="list-style-type: none"> → 4.950% on net business income, plus; → 0.8% on state-based gross receipts 100% apportionment; Business pay a surtax of 21.99% of gross taxable income; Tax credits applied within tax calculation, with net circuit-breakers 	<p>Known as the Corporate Income Tax, or CIT</p> <ul style="list-style-type: none"> Tax rate is a flat 6.0% Apportionment per 100% sales factor. Individuals and flow-through entities, including partnerships, S corporations, and trusts, are not subject to the CIT. However, flow-through entities may be subject to withholding A taxpayer has nexus with Michigan and is subject to the CIT if it: <ol style="list-style-type: none"> Has physical presence in Michigan for more than 1 day during the tax year, <u>or</u>; Actively solicits sales in Michigan and has Michigan gross receipts of \$350,000 or more, <u>or</u>; Has an ownership or beneficial interest in a flow-through entity that has nexus with Michigan. The only credit available under the CIT is the small business alternative credit. However, a business that has received, has been approved to receive, or has been assigned certain certificated tax credits under the MBT may elect to continue to file and pay under the MBT in lieu of the new CIT
Small Business	See Above – Corporate Income, Franchise, Business Privilege	See <i>Personal Income Tax</i>
Financial Companies	<ul style="list-style-type: none"> Franchise tax base 0.235% (Flat rate) Plus, annual surcharge of 23.4% of tax liability 	Tax rate of 0.29% on apportioned net capital
Insurance Companies	<ul style="list-style-type: none"> Gross-direct premiums base Variable rates, from 1.25 to 2.0%, dependent on product line 	Tax rate of 1.25% on gross direct premiums written on property or risk located or residing in Michigan
Personal Income Tax	<ul style="list-style-type: none"> Flat tax with rate of 4.35% as defined by state law 	<ul style="list-style-type: none"> No change for Tax Year 2012 Tax rate is reduced to 4.25% in Tax Year 2013

State, Local Tax Structure

Comparing Ohio and Pennsylvania

State

Rev. 1/2012

	Ohio	Pennsylvania
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	<ul style="list-style-type: none"> Flat tax rate of 9.99% 90% sales apportionment
Commercial Activity Tax	<ul style="list-style-type: none"> NO TAX under \$150,000 of gross receipts \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	Personal income tax, plus a capital stock tax, with a rate of 2.89 mills (Note: Tax rate being phased out: 2006 = 4.89 mills, 2007 = 3.89 mills, 2008 through 2011 = 2.89 mills, 2012 = 1.89 mills, 2013 = 0.89 mills)
Personal Property	EXEMPT FROM TAXATION	None
Real Property	EXEMPT FROM TAXATION	None

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	Permissive local tax
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	None
Real Property	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 35% of market value 	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Variable assessment rate, by county

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax rate Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> 6% state tax rate Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> Permissive tax Purchase of manufacturing equipment exempt 	None

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax Food and prescription drugs are exempt 	<ul style="list-style-type: none"> 6% state tax Food and prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> Permissive local tax Food and prescription drugs are exempt 	None

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with top rate of 5.925% on income over \$204,200	Flat tax with rate of 3.07% as defined by state law
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	Permissive local tax, levied by counties, local governments, special districts, and school districts

State, Local Tax Structure

Comparing Ohio and West Virginia

State

Rev. 1/2012

	Ohio	West Virginia
Corporate Income, Franchise	EXEMPT FROM TAXATION Note: Financial institutions, insurance companies, and their affiliates pay either the corporate franchise tax or insurance premiums tax; Certain receipts by public utilities that are subject to the public utility excise tax	<ul style="list-style-type: none"> Flat tax rate of 7.75% 100% sales apportionment Note: The tax rate is to be reduced on the following schedule, 7.0% for taxable periods beginning after 2012; and, 6.5% for taxable periods beginning after 2013.
Commercial Activity Tax	<ul style="list-style-type: none"> NO TAX under \$150,000 of gross receipts \$150, plus 0.26% on excess receipts over \$1.0 million for taxpayers with gross receipts over \$150,000 All gross receipts due to out-of-state sales are exempt from the tax base 	Note: By Ohio law, all sales made within the State of Ohio are subject to the state commercial activity tax (OCR §5751)
Small Business	See state personal income, commercial activity tax	Business franchise tax imposed on value of apportioned and adjusted capital
Personal Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate is \$0.30 per \$100 of market value Property assessed at 60% of market value
Real Property	EXEMPT FROM TAXATION	<ul style="list-style-type: none"> State tax rate is \$0.30 per \$100 of market value Property assessed at 60% of market value

Local

Rev. 1/2012

C- Corporation, Small Business	Permissive local tax	Permissive local tax
Commercial Activity Tax	State law bars local implementation of a commercial activity tax	None
Personal Property	EXEMPT FROM TAXATION Note: Public utilities transmission, distribution, and inventories are still taxable; In general, assessment at 85% for transmission and distribution, 24% for other, while subject to the gross personal property tax rate	<ul style="list-style-type: none"> Permissive tax on classified personal property Property assessed at 60% of market value
Real Property	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 35% of market value 	<ul style="list-style-type: none"> Permissive tax on land, buildings, and improvements Property assessed at 60% of market value

Additional Taxes to Consider

Capital Investment Sales and Use

Note – This is a one-time charge on the purchase of capital investments; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax rate Purchase of manufacturing equipment exempt 	<ul style="list-style-type: none"> 6% state tax rate Purchase of manufacturing equipment exempt
Local Tax	<ul style="list-style-type: none"> Permissive tax Purchase of manufacturing equipment exempt 	None

Consumer Sales and Use

Note – Occurs per consumer transaction; Rev. 1/2012

State Tax	<ul style="list-style-type: none"> 5.5% state tax Food and prescription drugs are exempt 	<ul style="list-style-type: none"> 6% state tax, with food taxed at a rate of 1% Food and prescription drugs are exempt
Local Tax	<ul style="list-style-type: none"> Permissive local tax Food and prescription drugs are exempt 	None

Personal Income on Workforce

Note – Tax is on worker's wages, benefits, and other compensation; Rev. 1/2012

State Tax	Progressive tax, with a top rate of 5.925% on income over \$204,200	Progressive tax, with a top rate of 6.5% on income over \$30,000
Local Tax	Permissive local tax set (flat tax rate) by municipal governments and local school districts	Permissive local tax set (flat tax rate) by municipal governments