

## Gross Receipts:

### Ohio: Proposed CAT Rule Changes Reflect New Law on CAT Exclusion and Annual Minimum Tax

*Proposed New and Rescinded Regs. sections 5703-29-04*, Ohio Dept. of Tax. (11/30/23). The Ohio Department of Taxation issued proposed rule changes reflecting recently enacted operating budget legislation that, among other tax law changes, removes Ohio's commercial activity tax (CAT) minimum tax and increases the taxable gross receipts exclusion from the current first \$1 million to the first \$3 million beginning in 2024 and to the first \$6 million beginning in 2025 [see H.B. 33 (2023) and previously issued Multistate Tax Alert for more details on this legislation]. The proposed changes provide that:

**URL:** <https://www.registerofohio.state.oh.us/rules/search/details/339207>

**URL:** <https://www.legislature.ohio.gov/legislation/135/hb33>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-ohio-passes-fy2024-fy2025-operating-budget-enacting-various-tax-changes.pdf>

1. A consolidated elected taxpayer may cancel its account within the binding eight-calendar quarter election period if its taxable gross receipts fall below the increased exclusion;
2. A taxpayer whose taxable gross receipts will not exceed the exclusion amount does not need to register for the CAT; and
3. A taxpayer whose taxable gross receipts do exceed the exclusion amount must register for the CAT within thirty days.

Please contact us with any questions.

— Dave Adler (Columbus)  
Managing Director  
Deloitte Tax LLP  
daadler@deloitte.com

Courtney Clark (Columbus)  
Partner  
Deloitte Tax LLP  
courtneyclark@deloitte.com

Paige Purcell (Columbus)  
Senior Manager  
Deloitte Tax LLP  
pfitzwater@deloitte.com

Mathew Culp (Columbus)  
Senior Manager  
Deloitte Tax LLP  
mculp@deloitte.com

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