

Gross Receipts:

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

New and Rescinded Regs. sections 5703-29-04, Ohio Dept. of Tax. (2/6/24). The Ohio Department of Taxation adopted rule changes reflecting operating budget legislation enacted in 2023 that, among other tax law changes, removes Ohio's commercial activity tax (CAT) minimum tax and increases the taxable gross receipts exclusion from the 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 revisions 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.

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