

Gross Receipts:

Ohio: Proposed Changes to Transportation Service Provider Nexus Rule Reflect Increased CAT Exclusions

Proposed Amended section 5703-29-15, Ohio Dept. of Tax. (7/23/24). The Ohio Department of Taxation (Department) issued proposed changes to its rule addressing whether the provider of transportation services has established nexus with Ohio under the Ohio commercial activity tax's (CAT) "bright-line presence standard" and describing how much such taxpayers should situs gross receipts from their activities to Ohio – essentially, proposing to update the CAT taxable gross receipts threshold to reflect budget legislation enacted in 2023 that removes the CAT minimum tax and increases the taxable gross receipts exclusion 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 rule changes also reflect that the CAT taxable gross receipts threshold applies to both combined taxpayers and consolidated elected taxpayers, as well as remove some regulatory restrictions. Please contact us with any questions.

URL: <https://www.registerofohio.state.oh.us/rules/search/details/344614>

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>

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