



Ohio Revised Code

Section 4133.06 Employer for purposes of taxes and economic incentives.

Effective: March 24, 2021

Legislation: Senate Bill 201 - 133rd General Assembly

(A) For purposes of determining tax credits and other economic incentives that are provided by this state or any political subdivision and based on employment, worksite employees under an alternate employer organization agreement shall be considered employees solely of the client employer.

(1) A client employer shall be entitled to the benefit of any tax credit, economic incentive, or similar benefit arising as the result of the client employer's employment of worksite employees. If the grant or amount of any tax credit, economic incentive, or other benefit is based on number of employees, each client employer shall be treated as employing only those worksite employees employed by the client employer. Worksite employees working for other client employers of the alternate employer organization shall not be counted as employees for that purpose.

(2) Upon request by a client employer or an agency or department of this state, an alternate employer organization shall provide employment information reasonably required by the agency or department responsible for administration of the tax credit or economic incentive and necessary to support any request, claim, application, or other action by a client employer seeking the tax credit or economic incentive.

(B) Worksite employees whose services are subject to sales tax shall be considered the employees of the client employer for purposes of collecting and levying sales tax on the services performed by the worksite employee. Nothing contained in this chapter shall relieve a client employer or alternate employer organization of any sales tax liability with respect to its goods or services.

(C) Any tax assessed on a per capita or per employee basis shall be assessed against the client employer for worksite employees and against the alternate employer organization for employees of the alternate employer organization who are not worksite employees employed with a client employer.

(D) For purposes of computing any tax that is imposed or calculated upon the basis of total payroll,



the alternate employer organization shall be eligible to use any small business allowance or exemption based solely on the employees of the alternate employer organization who are not worksite employees with any client employer. The eligibility of a client employer for the allowance or exemption shall be based solely upon the payroll of the employees of the client employer, including any worksite employees employed by the client employer.