



Ohio Revised Code

Section 5740.05 Effect of interstate agreement on other laws.

Effective: April 29, 2005

Legislation: Senate Bill 218 - 125th General Assembly

The tax commissioner shall not enter into the agreement unless the agreement requires each state to meet the requirements set forth in divisions (A) to (I) of this section. The agreement shall:

- (A) Set restrictions to limit over time the number of state sales and use tax rates;
- (B) Establish uniform standards for attributing the source of transactions to taxing jurisdictions, the administration of exempt sales, and sales and use tax returns and remittances;
- (C) Provide a central, electronic registration system that allows a seller to register to collect sales and use taxes for, and remit them to, all member states;
- (D) Provide that registration with the central registration system and the collection of sales and use taxes in the member states will not be used as a factor in determining whether the seller has nexus with a state for any tax;
- (E) Provide for reduction of the burdens of complying with local sales and use taxes through the following:
 - (1) Restricting variances between the state and local tax bases;
 - (2) Requiring states to administer any sales and use taxes levied by local jurisdictions within the states so that sellers collecting and remitting those taxes will not have to register or file returns with, remit funds to, or be subject to independent audits from, local taxing jurisdictions;
 - (3) Restricting the frequency of changes in the local sales and use tax rates and setting effective dates for the application of local jurisdictional boundary changes to local sales and use taxes;
 - (4) Providing notice to sellers and certified service providers of changes in local sales and use tax



rates and in the boundaries of local taxing jurisdictions.

(F) Outline any monetary allowances that are to be provided by the member states to sellers or certified service providers. The agreement must allow for a joint public and private sector study of the compliance cost on sellers and certified service providers to collect sales and use taxes for state and local governments under various levels of complexity.

(G) Require each state to certify compliance with the terms of the agreement prior to becoming a member of the agreement, and to maintain compliance, under the laws of the member state, with all provisions of the agreement while a member;

(H) Require each member state to adopt a uniform policy for certified service providers that protects the privacy of consumers and maintains the confidentiality of tax information;

(I) Provide for the appointment of an advisory council of private sector representatives and an advisory council of non-member state representatives to consult with in the administration of the agreement.