



## Ohio Administrative Code Rule 122:16-1-07 Relocation of employees.

Effective: July 28, 2016

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(A) A taxpayer that relocates a substantial number of employment positions from other operations elsewhere in the state, other than the local jurisdiction of the project site, to the project site shall notify, by certified mail, delivery confirmed courier or acknowledged personal delivery, the legislative authority of the county(s), township(s), or municipal corporation(s) from which the relocated employment positions are to be moved prior to the relocation of such employment positions. The taxpayer shall also concurrently send a copy of the notice to the executive director. The notice shall contain the following information:

- (1) The number of full-time equivalent employees and employment positions that will be relocated;
- (2) The payroll attributable to the relocated employees;
- (3) The business reason for the relocation of employees; and
- (4) The location of the project site.

(B) A taxpayer or affiliated entity that relocates any employment position(s) from other operations elsewhere in the state to the project site shall certify the amounts of transferred payroll in the annual report required under paragraph (A) of rule 122:16-1-05 of the Administrative Code that is due in the year immediately following the relocation. The annual report shall include the items listed in paragraph (A) of this rule.

(C) If a taxpayer or affiliated entity relocates a substantial number of employment positions, as defined in paragraph (Q) of rule 122:16-1-01 of the Administrative Code, the transferred payroll attributable to the relocated employment positions shall be excluded from the calculation of the tax credits.

(D) If a taxpayer or affiliated entity relocates fewer than a substantial number of employment



positions, as defined in paragraph (Q) of rule 122:16-1-01 of the Administrative Code, then the transferred payroll attributable to the relocated employment positions shall be added to the project's Ohio employee payroll, as defined by division (A)(4) of section 122.171 of the Revised Code, in the year following the tax year in which the relocation occurred. A taxpayer shall derive no tax credit benefit under section 122.171 of the Revised Code from the relocation of employees in the year in which the relocation occurred.

(E) When the executive director believes there has been a violation of paragraph (A) or (B) of this rule, the executive director shall inform the director. If the director agrees that a violation has occurred, the director may recommend to the authority that the taxpayer be subject to a remedial action pursuant to rule 122:16-1-06 of the Administrative Code.

When a violation has occurred the director shall issue amended tax credit certificates, if necessary, to the taxpayer to properly account for the effect of the relocated payroll for each tax year in which the relocated employees were employed at the project location. The director shall forward a copy of each corrected tax certificate to the tax commissioner, or in the case of an insurance company, to the superintendent of insurance.