



## Ohio Administrative Code

### Rule 5703-29-20 Situsing receipts from periodic payments for mobile property.

Effective: June 9, 2020

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(1) Gross receipts from the sale or other exchange of tangible personal property are sitused based on the location where the purchaser receives the property in accordance with division (E) of section 5751.033 of the Revised Code. When dealing with receipts from mobile property upon which lease payments are made, the location to situs such receipts may be unclear and paragraphs (B) and (C) of this rule shall be used in those situations.

(2) As used in this rule, the term lease payments also includes rental payments or other similar periodic payments.

(B) As a general rule, when lease payments are made regarding a piece of mobile property, such receipts shall be sitused based on the following:

(1) In the case of airplanes or other aircraft, receipts from the lease shall be sitused to the location where the aircraft is primarily hangared.

(a) In the case of motor vehicles used in business for the transportation of passengers or property in interstate commerce and railcars, receipts from the lease shall be sitused in accordance with division (G) of section 5751.033 of the Revised Code if that information is known. If such information is not known, receipts shall be sitused in accordance with paragraph (B)(2)(b) of this rule.

(b) In the case of all other motor vehicles, receipts from the lease shall be sitused based on the primary property location for the period in which the charges are incurred.

(3) In the case of all other lease payments, including those for construction equipment, receipts from the initial lease payment shall be sitused to the location where the lessee takes possession of the property. Receipts from all subsequent lease payments shall be sitused to the primary property location for the period in which the charges are incurred.



(1) In the event a taxpayer believes that a strict application of the standards set forth in this rule do not fairly represent the operations of the taxpayer, receipts may be situated to this state using any reasonable, consistent, and uniform method of apportionment that is supported by the lessors business records as they existed at the time the lease payments were made. In the event the tax commissioner disagrees with a taxpayers reasonable, consistent, and uniform method of situsing its gross receipts, the commissioner will not impose a penalty if the situsing was found to be made in good faith. While different methods may be used for different types of leases, the same method must be consistently used for all types of similar leases.

(2) A taxpayer may file in writing with the commissioner a request to use an alternative means of situsing gross receipts from the sale or other exchange of mobile property that is reasonable, consistent, and uniform under paragraph (C)(1) of this rule. Such request must be made prior to the end of the reporting period for which the request is to become effective.

(D) For purposes of this rule, primary property location means an address for tangible personal property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of that address does not constitute bad faith.