



Ohio Administrative Code

Rule 5703-9-06 Imposition of tax on transportation services.

Effective: July 17, 2020

(A) "Transportation service" means the provision of transportation wholly within the state of Ohio by means of a motor vehicle or aircraft with a driver or pilot.

(1) Transportation service includes, but is not limited to, all of the following:

(a) Intrastate transportation by taxicab;

(b) Intrastate transportation by limousine;

(c) Intrastate bus transportation; and

(d) Shuttle service;

(2) Transportation service does not include:

(a) Transportation by ambulance. As used in this rule, "ambulance" means any motor vehicle or aircraft specially designed and equipped to provide medical transportation and includes ambulettes that are specially designed and equipped to provide transport to persons that require the use of a wheelchair;

(b) Transportation provided by transit bus as defined by section 5735.01 of the Revised Code;

(c) Transportation provided by a citizen of the United States holding a certificate of public convenience and necessity issued under 49 U.S.C. 41102;

(d) Transportation sold to, or provided by, a political subdivision or agency of the federal or state government, including, but not limited to, a county, municipal corporation, county transit board, regional transit authority, or regional transit commission; and



(e) Tour services, except for the transportation component as provided in paragraph (D) of this rule.

(B) A person providing a transportation service shall charge sales or use tax on the entire price paid by the consumer for the transportation service.

(C) "Tour service" means the provision of travel packages that include transportation services along with one or more of the following: admissions to events/locations; the services of guides; overnight accommodations; and any similar travel package element. A person providing only food and beverages for consumption on the motor vehicle or aircraft, in addition to a transportation service, is not providing a tour service.

(D) The transportation element of tour services is subject to the tax on providing transportation service.

(1) A tour service provider that uses a transportation service purchased from another shall be subject to the sales or use tax on transportation services in the following manner:

(a) If it does not separately state the charge for the transportation service to its customer the tour service provider is the consumer of the transportation service and it is subject to the tax based on the price it pays for the transportation service; or

(b) If it does separately state the charge for the transportation service to its customer the tour service provider is reselling the transportation service to that customer. Subject to paragraph (G) of this rule, the tour service provider shall collect and remit the tax from the customer based on that transportation service charge.

(2) A person providing a tour service using transportation equipment it owns, leases, or otherwise has a license to use shall be subject to the sales or use tax in the following manner:

(a) If it does not separately state the charge for the transportation service to its customer, the tour service provider is subject to the tax based on the costs it incurs for providing the transportation service as set forth in paragraph (E) of this rule; or



(b) If it does separately state the charge for the transportation service to its customer, subject to paragraph (G) of this rule, the tour service provider shall collect the tax from the consumer and remit the tax based on that transportation service charge.

(E) Absent special and unusual circumstances, the price charged or costs incurred by the person for the transportation service shall include, at a minimum, the following costs:

- (1) The costs for the use of the vehicle or plane (depreciation) including overhead costs;
- (2) The costs for the fuel and maintenance costs of the vehicle or plane;
- (3) The costs for the driver(s) or pilot(s) including any costs for such persons() food and accommodations;
- (4) The costs for parking and tolls; and
- (5) Any additional costs for providing a transportation service.

(F) Transportation services that do not include the costs in paragraph (E) of this rule shall be considered sham transactions and will be disregarded pursuant to section 5703.56 of the Revised Code.

(G) Nothing in this rule shall prohibit a tour service provider providing transportation under paragraph (D)(1)(b) or paragraph (D)(2)(b) of this rule from allowing the customer to claim an exemption from the tax if the exemption is claimed following the procedures prescribed by section 5739.03 of the Revised Code.