



Ohio Revised Code

Section 5727.811 Excise tax levied on natural gas distribution company.

Effective: July 1, 2015

Legislation: House Bill 64 - 131st General Assembly

(A) For the purpose of raising revenue to fund the needs of this state and its local governments, an excise tax is hereby levied on every natural gas distribution company for all natural gas volumes billed by, or on behalf of, the company beginning with the measurement period that includes July 1, 2001. Except as provided in divisions (C) or (D) of this section, the tax shall be levied at the following rates per MCF of natural gas distributed by the company through a meter of an end user in this state:

MCF DISTRIBUTED TO AN END USER	RATE PER MCF
For the first 100 MCF per month	\$.1593
For the next 101 to 2000 MCF per month	\$.0877
For 2001 and above MCF per month	\$.0411

If no meter is used to measure the MCF of natural gas distributed by the company, the rates shall apply to the estimated MCF of natural gas distributed to an unmetered location in this state.

(B) A natural gas distribution company shall base the tax on the MCF of natural gas distributed to an end user through the meter of the end user in this state that is estimated to be consumed by the end user as reflected on the end user's customer statement from the natural gas distribution company. Until January 1, 2003, the natural gas distribution company shall pay the tax levied by this section to the treasurer of state in accordance with section 5727.82 of the Revised Code. Beginning January 1, 2003, the natural gas distribution company shall pay the tax levied by this section to the tax commissioner in accordance with section 5727.82 of the Revised Code unless required to remit payment to the treasurer of state in accordance with section 5727.83 of the Revised Code.

(C) A natural gas distribution company with seventy thousand customers or less may elect to apply the rates specified in division (A) of this section to the aggregate of the natural gas distributed by the company through the meter of all its customers in this state, and upon such election, this method shall be used to determine the amount of tax to be paid by such company.



(D) A natural gas distribution company shall pay the tax imposed by this section at the rate of \$.02 per MCF of natural gas distributed by the company through the meter of a flex customer. The natural gas distribution company correspondingly shall reduce the per MCF rate that it charges the flex customer for natural gas distribution services by \$.02 per MCF of natural gas distributed to the flex customer.

(E) Except as provided in division (F) of this section, each natural gas distribution company shall pay the tax imposed by this section in all of the following circumstances:

(1) The natural gas is distributed by the company through a meter of an end user in this state;

(2) The natural gas distribution company is distributing natural gas through a meter located in another state, but the natural gas is consumed in this state in the manner prescribed by the tax commissioner;

(3) The natural gas distribution company is distributing natural gas in this state without the use of a meter, but the natural gas is consumed in this state as estimated and in the manner prescribed by the tax commissioner.

(F) The tax levied by this section does not apply to the distribution of natural gas to the federal government, or natural gas produced by an end user in this state that is consumed by that end user or its affiliates and is not distributed through the facilities of a natural gas company.

(G) All revenue arising from the tax imposed by this section shall be credited to the general revenue fund.