



Ohio Revised Code

Section 5733.45 Credit concerning qualifying dealer in intangibles.

Effective: June 26, 2003

Legislation: House Bill 95 - 125th General Assembly

(A) For purposes of this section, a "qualifying dealer in intangibles" is a dealer in intangibles that is a member of a qualifying controlled group of which a financial institution is also a member on the first day of the financial institution's tax year.

(B) For tax years 2002 and thereafter, there is hereby allowed to each financial institution a nonrefundable credit against the tax imposed by section 5733.06 of the Revised Code. The amount of the credit shall be computed in accordance with division (C) of this section. The credit shall be claimed in the order prescribed by section 5733.98 of the Revised Code. The credit shall not exceed the amount of tax otherwise due under section 5733.06 of the Revised Code after deducting any other credits that precede the credit claimed under this section in that order.

(C) Subject to division (D) of this section, the amount of the nonrefundable credit is the lesser of the amount described in division (C)(1) of this section or the amount described in division (C)(2) of this section.

(1) The amount of tax that a qualifying dealer in intangibles paid under Chapter 5707. of the Revised Code during the calendar year immediately preceding the financial institution's tax year. Such amount shall be reduced, but not below zero, by any refunds of such tax received by the qualifying dealer in intangibles under Chapter 5703. of the Revised Code during that calendar year.

(2) The product of the amounts described in division (C)(2)(a) to (C)(2)(c) of this section. The amount described in division (C)(2)(a) of this section shall be ascertained on the last day of the financial institution's taxable year immediately preceding the tax year.

(a) The cost of the financial institution's direct investment in the capital stock of the qualifying dealer in intangibles. The cost does not include any appreciation or goodwill to the extent those amounts are allowed as an exempted asset on the financial institution's annual report.



(b) The ratio described in section 5725.15 of the Revised Code for the calendar year immediately preceding the financial institution's tax year;

(c) The tax rate imposed under division (D) of section 5707.03 of the Revised Code for the calendar year immediately preceding the financial institution's tax year.

(D)(1) The principles and concepts set forth in section 5733.057 of the Revised Code shall apply to ascertain if a dealer in intangibles is a member of a qualifying controlled group of which the financial institution also is a member and to ascertain the cost of the financial institution's direct investment in the capital stock of the qualifying dealer in intangibles.

(2) Notwithstanding section 5703.56 of the Revised Code to the contrary, a financial institution claiming the credit provided by this section has the burden to establish by a preponderance of the evidence that none of the doctrines enumerated in that section would apply to deny to the financial institution all or a part of the credit otherwise provided by this section.

(E) For tax years 2002 and 2003, the credit allowed by this section applies only if the qualifying dealer in intangibles on account of which the financial institution is claiming the credit submits to the tax commissioner, not later than January 15, 2002, a written statement that the qualifying dealer in intangibles irrevocably agrees that it will not seek a refund of the tax paid by the dealer under section 5707.03 of the Revised Code in 2000 and 2001, and irrevocably agrees to continue paying that tax in 2002, regardless of the amendment of section 5725.26 of the Revised Code by Am. Sub. H.B. 405 of the 124th general assembly.