



Tax Analysis Division
30 E Broad St, 22nd Floor
Columbus, Ohio 43215
(614)466-3960 Fax (614)752-0700
<http://tax.ohio.gov>

Table CAT 1&2
No. 83 & 84 (2009)
December 31, 2009

COMMERCIAL ACTIVITY TAX: Number of Taxpayers and Tax Return Data, Fiscal Year 2009

The commercial activity tax went into effect on July 1, 2005. It is a privilege tax measured by gross receipts from activities in this state. The tax is a key component of the 2005 tax reform package enacted by Am. Sub. House Bill 66 (126th General Assembly). The major business tax components of the tax reform act consist of the phase-out of both the tangible personal property tax and the corporate franchise tax and the phase-in of the commercial activity tax.

The tax is levied and paid on a quarterly or annualized basis. Taxpayers with annual taxable gross receipts above \$1 million must report and pay the tax quarterly. Taxpayers whose annual taxable gross receipts are between \$150,000 and \$1 million are considered annual taxpayers and are subject only to the \$150 minimum tax. Taxpayers with annual gross receipts below \$150,000 are not subject to the commercial activity tax.

The attached CAT-1 and CAT-2 tables reflect information reported on tax returns that were due and filed during fiscal year 2009. For quarterly taxpayers, these returns reflect activity for the April 2008 to March 2009 period; the returns were due and filed in August 2008, November 2008, February 2009 and May 2009. In addition, the data include tax returns filed by annual taxpayers for the calendar year 2009 period; the returns were due in February 2009. Additional factors affecting the data in these tables are explained below.

- The attached tables reflect the 0.208% tax rate in effect for the April 2008 to March 2009 period. Ohio law phased up the commercial activity tax rate over a five-year period that began in July 2005. The fully phased-in 0.26% tax rate is scheduled to take effect on April 1, 2009 (impacting fiscal year 2010 tax revenues).
- Each combined and consolidated taxpayer group is shown as a *single entity* for purposes of these tables. In the CAT-1 table, the combined or consolidated group is reported under the primary filer's industry code. In the CAT-2 table, the entire group's gross receipts determine the size category in which the group is placed.

As shown in these tables, the total reported commercial activity tax liability before credits for fiscal year 2009 was \$1,201.4 million. Of this amount \$24.1 million was attributable to the minimum tax and \$1,177.3 million was attributable to the 0.208% tax rate. Taxable gross receipts amounted to \$648.0 billion but the exclusion available on each return reduced taxable receipts by \$81.9 billion, or 12.6%; the resulting net taxable gross receipts amounted to \$566.0 billion.

Table CAT-1 shows tax return information for 19 industrial sectors. The industrial sector data is based on each taxpayer's reported primary industrial code, using the North American Industry Classification System (NAICS). The retail sector comprises the largest group of taxpayers, accounting for 12.8% of all taxpayers. This is followed by construction (10.3%), manufacturing (9.9%), and unclassified (9.9%) taxpayers. In terms of tax liability, manufacturers account for the largest share at 28.7% of the total. The retail (18.8%) and wholesale sectors (16.2%) account for the next largest shares of total liability.

Table CAT-2 provides tax return information based on the size of each taxpayer's taxable gross receipts (prior to the exclusion). Filers whose fiscal year 2009 taxable gross receipts were \$1 million or below accounted for 71.9% of all returns but only 1.1% of the total liability. Filers with taxable gross receipts above \$1 billion comprised less than 0.1% of all returns but accounted for 25.2% of total tax liability.

Data contained in these tables is derived from commercial activity tax returns filed by taxpayers with the Ohio Department of Taxation.

Fiscal Year 2009 Commercial Activity Tax Returns:

Number of Returns and Reported Financial Data, by Industrial Classification (a)

Dollar amounts are in 1,000's

Industrial Classification	NAICS Code Ranges	Number of Taxpayers	Taxable Gross Receipts	Exclusion (b)	Net Taxable Gross Receipts	Tax at 0.208% Rate	Annual Minimum Tax (c)	Tax Before Credits	Non-refundable Tax Credits (d)	Refundable Tax Credits (e)	Total Tax Due: 0.208% Tax and Minimum Tax
Agriculture, Forestry, and Fishing	111100-115310	5,761	\$5,593,814	\$2,567,864	\$3,025,950	\$6,294	\$864	\$7,158	0	0	\$7,158
Mining	211110-213110	769	6,156,940	470,431	5,686,509	11,828	115	11,943	0	0	11,943
Utilities (excluding telecommunications)	221100-221300	127	16,631,001	82,270	16,548,731	34,421	19	34,440	0	0	34,440
Construction	236110-238900	16,609	33,750,871	8,319,904	25,430,966	52,896	2,491	55,388	0	0	55,388
Manufacturing	311110-339900	15,883	177,137,492	10,674,119	166,463,373	346,244	2,382	348,626	\$8,651	\$6,593	333,382
Wholesale Trade	423100-425120	8,888	96,006,629	5,832,093	90,174,536	187,563	1,333	188,896	180	533	188,183
Retail Trade	441110-454390	20,533	116,276,105	11,451,659	104,824,447	218,035	3,080	221,115	4	3,048	218,063
Transportation and Warehousing	481000-493100	4,638	15,113,074	2,456,018	12,657,056	26,327	696	27,022	28	835	26,160
Information (including telecommunications)	511110-519100	1,545	25,676,290	865,933	24,810,357	51,606	232	51,837	13	71	51,753
Finance and Insurance	522110-525990	6,071	8,825,992	2,023,966	6,802,025	14,148	911	15,059	127	405	14,527
Real Estate, and Rental & Leasing of Property	531110-533110	13,519	15,370,577	5,626,932	9,743,645	20,267	2,028	22,295	0	0	22,295
Professional, Scientific and Technical Services	541110-541990	14,828	34,477,453	7,280,902	27,196,551	56,569	2,224	58,793	129	4,143	54,521
Management of Companies (Holding Companies)	551111-551112	871	28,659,709	640,095	28,019,614	58,281	131	58,411	2,226	12,935	43,249
Administrative & Support Services, and Waste Management & Remediation Services	561110-562000	3,996	8,869,769	1,947,623	6,922,146	14,398	599	14,997	0	0	14,997
Education, Health Care and Social Assistance	611000-624410	12,545	22,909,415	7,231,316	15,678,100	32,610	1,882	34,492	0	0	34,492
Arts, Entertainment, and Recreation	711100-713900	1,561	2,419,097	690,681	1,728,415	3,595	234	3,829	0	0	3,829
Accommodation and Food Services	721110-722410	8,227	13,778,346	4,233,909	9,544,437	19,852	1,234	21,086	0	0	21,086
Other Services	811110-812990	8,269	7,403,255	3,641,557	3,761,698	7,824	1,240	9,065	0	13	9,052
Unclassified	n/a	15,947	12,906,710	5,900,366	7,006,344	14,574	2,394	16,968	0	1,135	15,834
TOTAL		160,587	\$647,962,539	\$81,937,638	\$566,024,900	\$1,177,332	\$24,089	\$1,201,420	\$11,358	\$29,711	\$1,160,352

(a) The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2009. This is because table reflects reported tax liability, not actual payments made. In addition, the table reflects information from tax returns on the computer system as of the dates when the August 2008, November 2008, February 2009 and May 2009 return data was extracted; any subsequently filed tax returns or subsequent corrections made to previously-filed tax returns are not reflected in this table.

(b) On a quarterly basis, each taxpayer's first \$250,000 in taxable gross receipts is excluded from the 0.208% tax, resulting in an annual exclusion of \$1 million per taxpayer.

(c) The annual minimum tax is \$150. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax.

(d) Beginning with the third quarter 2008 filing period (the tax return due in November 2008), several nonrefundable tax credits could be claimed by eligible commercial activity taxpayers. The available nonrefundable credits are: the credit for qualified research expenses; the job retention tax credit; and the research and development loan credit.

(e) Beginning with the third quarter 2008 filing period (the tax return due in November 2008), the refundable job creation tax credit could be claimed by eligible commercial activity taxpayers.

Fiscal Year 2009 Commercial Activity Tax:

Number of Returns and Reported Financial Data, by Size of Taxable Gross Receipts (a)

Dollar amounts are in 1,000's

Size of FY 2009 Taxable Gross Receipts (b)	Number of Taxpayers	Taxable Gross Receipts	Exclusion (c)	Net Taxable Gross Receipts	Tax at 0.208% Rate	Annual Minimum Tax (d)	Tax Before refundable Credits	Non-Refundable Tax Credits (e)	Refundable Tax Credits (f)	Total Tax Due: 0.208% Tax and Minimum Tax
Less than \$1,000,000	115,397	\$38,525,185	\$37,913,671	\$611,513	\$1,272	\$17,310	\$18,581	\$0	\$5,674	\$12,908
\$1,000,000 - \$1,999,999	18,601	26,470,222	18,044,687	8,425,535	17,525	2,790	20,315	1	87	20,227
\$2,000,000 - \$2,999,999	7,685	18,780,542	7,486,972	11,293,571	23,491	1,153	24,643	11	1,437	23,196
\$3,000,000 - \$3,999,999	3,974	13,713,771	3,870,735	9,843,036	20,474	596	21,070	5	91	20,974
\$4,000,000 - \$4,999,999	2,496	11,173,051	2,432,523	8,740,528	18,180	374	18,555	5	5	18,544
\$5,000,000 - \$9,999,999	5,569	39,027,387	5,437,564	33,589,823	69,867	835	70,702	13	62	70,627
\$10,000,000 - \$24,999,999	3,894	60,023,542	3,817,568	56,205,974	116,908	584	117,493	150	1,300	116,042
\$25,000,000 - \$49,999,999	1,425	49,828,386	1,401,485	48,426,900	100,728	214	100,942	115	504	100,323
\$50,000,000 - \$99,999,999	758	52,720,049	747,450	51,972,599	108,103	114	108,217	756	2,491	104,970
\$100,000,000 - \$499,999,999	658	139,409,278	654,983	138,754,295	288,609	99	288,708	2,564	7,900	278,244
\$500,000,000 - \$999,999,999	73	49,746,731	73,000	49,673,731	103,321	11	103,332	32	1,840	101,461
\$1 billion and above	57	148,544,395	57,000	148,487,395	308,854	9	308,862	7,706	8,320	292,836
TOTAL	160,587	\$647,962,539	\$81,937,638	\$566,024,900	\$1,177,332	\$24,089	\$1,201,420	\$11,358	\$29,711	\$1,160,352

(a) The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2009. This is because the table reflects reported tax liability, not actual payments made. In addition, the table reflects information from tax returns on the computer system as of the dates when the August 2008, November 2008, February 2009 and May 2009 return data was extracted; any subsequently filed tax returns or subsequent corrections made to previously-filed tax returns are not reflected in this table.

(b) These categories reflect aggregate taxable gross receipts (before exclusion) as reported by taxpayers on returns that were due and filed during fiscal year 2009. For example, a taxpayer whose taxable gross receipts were \$5 million, \$6 million, \$4 million, and \$7 million, on returns filed in August 2008, November 2008, February 2009 and May 2009, respectively, would have total fiscal year 2009 taxable gross receipts of \$22 million, and thereby would be included within the \$10-\$25 million category.

(c) On a quarterly basis, each taxpayer's first \$250,000 in taxable gross receipts is excluded from the 0.208% tax, resulting in an annual exclusion of \$1 million per taxpayer.

(d) The annual minimum tax is \$150. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax.

(e) Beginning with the third quarter 2008 filing period (the tax return due in November 2008), several nonrefundable tax credits could be claimed by eligible commercial activity taxpayers. The available nonrefundable credits are: the credit for qualified research expenses; the job retention tax credit; and the research and development loan credit.

(f) Beginning with the third quarter 2008 filing period (the tax return due in November 2008), the refundable job creation tax credit could be claimed by eligible commercial activity taxpayers.