



Department of
Taxation

Ohio Will Offer Modernized e-File for Municipal Net Profit Tax

March 1 Deadline to Register for 2018 with Ohio Business Gateway

(Columbus) – Ohio Tax Commissioner Joe Testa is encouraging Ohio tax practitioners and businesses that file municipal net profit tax returns to register now at the Ohio Business Gateway (OBG). The deadline to register for the 2018 tax year is March 1st.

He says there are more than 400,000 Ohio businesses that can benefit if they choose to ‘opt-in’ to the new state centralized filing system for their municipal net profit tax return. Tax Year 2018 returns will be filed through OBG, or through the IRS’ Modernized e-File (MeF) portal.

“We are really pleased that the IRS has agreed to let Ohio taxpayers and tax practitioners file municipal net profit tax annual returns through MeF. It just adds to the efficiencies and advantages of filing municipal tax returns with the state, rather than with each municipality in which income is earned.”

Commissioner Testa says this centralized filing option is one the Ohio Society of CPAs (OSCPA) and every major business group in the state asked for and worked hard to get implemented.

“This new centralized filing system, whether using OBG or MeF, is a tremendous improvement over the existing municipal tax system. Having to file a separate tax return everywhere you do business is a huge and costly burden. We have a solution to that problem now and it wouldn’t have been possible without all of the support from tax practitioners and businesses from across the state.”

Testa says businesses that register by March 1 can file quarterly estimated returns and payments through OBG. The first quarter payment is due April 15th. For convenience, taxpayers can file the quarterly declarations and schedule payment dates for the entire year during one visit to OBG.

Registrants must also notify the municipalities that they have been filing with by March 1 to avoid being billed for not filing and paying with the municipality.

The Ohio Department of Taxation will process all of the payments and distribute the money to the appropriate communities, and handle all of the administrative functions associated with the tax including audits, appeals, and processing of annual returns. The 2018 tax return will be due April 2019.

Testa says the Department of Taxation has estimated that business taxpayers could save \$800 million a year in compliance costs if all eligible businesses opt to file through the state system.

For questions or more information, please visit the Department’s web site at tax.ohio.gov.

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