



## Ohio Revised Code

### Section 4125.042 Determination of tax credit and other economic incentives.

Effective: March 22, 2013

Legislation: Senate Bill 139 - 129th General Assembly

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(A) For purposes of determining tax credits and other economic incentives that are provided by this state or any political subdivision and based on employment, shared employees under a professional employer organization agreement shall be considered employees solely of the client employer.

(1) A client employer shall be entitled to the benefit of any tax credit, economic incentive, or similar benefit arising as the result of the client employer's employment of shared employees. If the grant or amount of any tax credit, economic incentive, or other benefit is based on number of employees, each client employer shall be treated as employing only those shared employees coemployed by the client employer. Shared employees working for other client employers of the professional employer organization shall not be counted as employees for that purpose.

(2) Upon request by a client employer or an agency or department of this state, a professional employer organization shall provide employment information reasonably required by the agency or department responsible for administration of the tax credit or economic incentive and necessary to support any request, claim, application, or other action by a client employer seeking the tax credit or economic incentive.

(B) Shared employees whose services are subject to sales tax shall be considered the employees of the client employer for purposes of collecting and levying sales tax on the services performed by the shared employee. Nothing contained in this chapter shall relieve a client employer or professional employer organization of any sales tax liability with respect to its goods or services.

(C) Any tax assessed on a per capita or per employee basis shall be assessed against the client employer for shared employees and against the professional employer organization for employees of the professional employer organization who are not shared employees coemployed with a client employer.

(D) For purposes of computing any tax that is imposed or calculated upon the basis of total payroll,



the professional employer organization shall be eligible to use any small business allowance or exemption based solely on the employees of the professional employer organization who are not shared employees with any client employer. The eligibility of a client employer for the allowance or exemption shall be based solely upon the payroll of the employees of the client employer, including any shared employees coemployed by the client employer.