



Ohio Revised Code

Section 5747.45 Taxable year; method of accounting; amended reports with payment or application for refund.

Effective: June 14, 2022

Legislation: Senate Bill 246

(A) A qualifying entity's qualifying taxable year is the same as its taxable year for federal income tax purposes. If a qualifying entity's taxable year is changed for federal income tax purposes, the qualifying taxable year for purposes of this chapter and sections 5733.40 and 5733.41 of the Revised Code is changed accordingly.

(B) A qualifying entity's and an electing pass-through entity's method of accounting shall be the same as its method of accounting for federal income tax purposes. In the absence of any method of accounting for federal income tax purposes, income shall be computed under such method as in the opinion of the tax commissioner clearly reflects income.

If a qualifying entity's or an electing pass-through entity's method of accounting is changed for federal income tax purposes, its method of accounting for purposes of this chapter shall be changed accordingly.

(C) If any of the facts, figures, computations, or attachments required in a qualifying entity's or an electing pass-through entity's annual report to determine the taxes imposed by section 5733.41, 5747.38, or 5747.41 of the Revised Code must be altered as the result of an adjustment to the entity's federal income tax return, whether the adjustment is initiated by the entity or the internal revenue service, and such alteration affects the entity's tax liability under any of those sections, the entity shall file an amended report with the tax commissioner in such form as the commissioner requires. The amended report shall be filed not later than one year after the adjustment has been agreed to or finally determined for federal income tax purposes or any federal income tax deficiency or refund, or the abatement or credit resulting therefrom, has been assessed or paid, whichever occurs first.

(1) In the case of an underpayment, the amended report shall be accompanied by payment of an additional tax and interest due and is a report subject to assessment under section 5747.13 of the Revised Code for the purpose of assessing any additional tax due under this division, together with



any applicable penalty and interest. It shall not reopen those facts, figures, computations, or attachments from a previously filed report no longer subject to assessment that are not affected, either directly or indirectly, by the adjustment to the qualifying entity's or electing pass-through entity's federal income tax return.

(2) In the case of an overpayment, an application for refund may be filed under this division within the one-year period prescribed for filing the amended report even if it is filed beyond the period prescribed in division (B) of section 5747.11 of the Revised Code if it otherwise conforms to the requirements of that section. An application filed under this division shall claim refund of overpayments resulting from alterations to only those facts, figures, computations, or attachments required in the qualifying entity's or electing pass-through entity's annual report that are affected, either directly or indirectly, by the adjustment to the entity's federal income tax return unless it is also filed within the time prescribed in division (B) of section 5747.11 of the Revised Code. It shall not reopen those facts, figures, computations, or attachments that are not affected, either directly or indirectly, by the adjustment to the qualifying entity's federal income tax return.