



Ohio Administrative Code Rule 122:7-1-09 Relocation of employees.

Effective: January 9, 2025

(A) A taxpayer that relocates a substantial number of employment positions from other operations elsewhere in the state, other than the local jurisdiction of the project location, to the project location is to notify, by certified mail, delivery confirmed courier or acknowledged personal delivery, the legislative authority of the county(s), township(s) or municipal corporation(s) from which the relocated employment positions are to be moved prior to the relocation of such employment positions. The taxpayer is to also concurrently send a copy of the notice to the executive director. The notice will contain the following information:

- (1) The number of full-time equivalent employees and employment positions that will be relocated;
- (2) The payroll attributable to the relocated employees and relocated employment positions;
- (3) The business reason for the relocation of employees or employment positions; and
- (4) The location of the project location.

(B) If a taxpayer or affiliated entity relocates any employment position(s) from other operations elsewhere in the state to the project location, the taxpayer is to certify the amounts of transferred payroll in the annual report required under paragraph (A) of rule 122:7-1-07 of the Administrative Code that is due in the year immediately following the relocation. The annual report will include the items listed in paragraph (A) of this rule.

(C) If a taxpayer or affiliated entity relocates a substantial number of employment positions, as defined in paragraph (V) of rule 122:7-1-01 of the Administrative Code, to the project location, the transferred payroll attributable to the relocated employment positions is to be added to both the project's Ohio employee payroll, as defined in division (A) of section 122.17 of the Revised Code and baseline payroll, as defined in division (A) of section 122.17 of the Revised Code.



(D) If a taxpayer or affiliated entity relocates fewer than a substantial number of employment positions, as defined in paragraph (V) of rule 122:7-1-01 of the Administrative Code, to the project location, then the transferred payroll attributable to the relocated positions is to be added to the baseline payroll, as defined by division (A)(2) of section 122.17 of the Revised Code, in the year following the tax year in which the relocation occurred. A taxpayer will derive no tax credit benefit under section 122.17 of the Revised Code from the relocation of employees in the year in which the relocation occurred.

(E) When the executive director believes there has been a violation of paragraph (A) or (B) of this rule, the executive director is to inform the director. If the director agrees that a violation has occurred, the director may recommend to the authority that the taxpayer be subject to a remedial action pursuant to rule 122:7-1-08 of the Administrative Code.

When a violation has occurred the director will issue amended tax certificates, if necessary, to the taxpayer to properly account for the effect of the relocated payroll for each tax year in which the relocated employees were employed at the project location. The director will forward a copy of each corrected tax certificate to the tax commissioner or in the case of an insurance company, to the superintendent of insurance.