



Ohio Administrative Code

Rule 5703-29-09 Option for quarterly taxpayers to make estimated payments.

Effective: January 13, 2026

(A) Division (B) of section 5751.05 of the Revised Code allows the tax commissioner to grant written approval for a calendar quarter taxpayer to use an alternative reporting schedule or estimate the amount of tax due for the calendar quarter if the taxpayer demonstrates the need for such deviation. In addition, this section also grants the commissioner the authority to adopt a rule to allow a group of taxpayers such deviation without prior written approval. Pursuant to this authority, the commissioner hereby grants authority for all calendar quarter taxpayers to make estimated payments of their tax if done pursuant to the procedures prescribed in the following paragraphs.

(B) A calendar quarter taxpayer is allowed to file its commercial activity tax return and make an estimated payment of tax due thereon by the tenth day of the second month after the end of the calendar quarter if all the procedures set forth in this rule are followed.

(1) A calendar quarter taxpayer electing to make an estimated payment shall do all of the following for this rule to apply:

(a) File the "rule estimation" return, report the appropriate estimate of taxable gross receipts, and pay the appropriate amount of estimated tax. Taxpayers seeking to use the "statutory estimation" provided for under division (B) of section 5751.051 of the Revised Code shall file that return and shall not use this rule for any calendar quarter in that entire calendar year.

(b) Make an estimated payment of the tax using the tax rate in effect for the calendar quarter for which the estimated payment is being made. Any minimum annual tax amount that is owed is in addition to the estimated tax determined pursuant to this rule.

(c) On or before the due date of the return for the following calendar quarter, the taxpayer must reconcile its actual tax for the calendar quarter for which the estimate was made, using either a form prescribed by the commissioner for such purpose or the actual return. The taxpayer must calculate its actual tax using the tax rate in effect for that quarter for which the estimated payment is made, file its



reconciliation report reconciling its actual tax with its estimated tax for that quarter, and, if applicable, pay any underpayment of the actual tax owed for that quarter. If the taxpayer's estimate results in an overpayment of tax, such overpayment will be applied to the next tax return/report. If, after applying the overpayment to such next tax return/report an overpayment remains, such remaining overpayment may be refunded or carried forward to the subsequent return/report filed by the taxpayer. A taxpayer making an election under this rule must file the return for the following calendar quarter. The return for that calendar quarter may again be estimated in accordance with this rule.

(d) In order for this rule to apply, both the estimated payment return/report and the reconciliation report/return, along with all applicable payments for those tax periods, must be made timely, and the taxpayer must not have any outstanding commercial activity tax liability.

(2) A taxpayer electing to make an estimated payment, as prescribed by paragraph (B)(1) of this rule, must estimate its taxable gross receipts as at least ninety-five per cent of the taxable gross receipts from the previous quarter. However, in no event shall a taxpayer's estimated payment for a given calendar quarter be less than seventy per cent of its actual tax liability for that calendar quarter. In the event a taxpayer's previous calendar quarter's taxable gross receipts exceed its current quarter's taxable gross receipts, such taxpayer's estimated tax liability for the quarter is only required to equal or exceed one-hundred per cent of its tax liability for that period.

(C) Any taxpayer who elects to estimate its tax using this rule shall not estimate its tax using the statutory estimation procedure contained in division (B)(2) of section 5751.051 of the Revised Code for any calendar quarter in that entire calendar year.

(D) Interest and penalties will not be imposed on payments made pursuant to this rule provided the taxpayer fully complies with this rule. In other words, such payments will be considered to be made timely. A taxpayer who elects to estimate its tax under this rule agrees to have any overpayment automatically be applied to the taxpayer's next commercial activity tax report filed.

(E) For example, assume a taxpayer for the second calendar quarter of 2020 elects to make an estimated payment pursuant to this rule. For this example, the taxpayer's actual taxable gross receipts for the first calendar quarter were \$8,000,000. By August 10, 2020, the taxpayer files its second



calendar quarter return and selects the "rule estimation" return. In making the estimated payment, the taxpayer calculates an estimated liability of \$19,760 ($.0026 * \$7,600,000$). In order to be covered by the safe harbor, the taxpayer makes an electronic payment of \$19,760. Such taxpayer meets the ninety-five per cent threshold required to avoid the imposition of interest and penalties when it reconciles its report at the beginning of the third calendar quarter.

When reconciling the second calendar quarter return by filing its third quarter return, the taxpayer determines its actual taxable gross receipts for the second quarter were \$8,500,000. The taxpayer applies the effective tax rate for the second quarter to its actual taxable gross receipts, resulting in a tax liability of \$22,100 ($.0026 * \$8,500,000$).

By November 10, 2020, the taxpayer will be required to electronically file its reconciliation report, reflecting an additional \$2,340 tax due (\$22,100 actual tax liability for the second calendar quarter, less the \$19,760 estimated payment). At the same time, the taxpayer must timely file its third calendar quarter return/report and may elect to make an estimated payment for the third quarter (based on the taxpayer's second calendar quarter actual taxable gross receipts).