



Ohio Administrative Code Rule 5703-9-12 Exchanged merchandise.

Effective: July 17, 2020

- (1) If taxable merchandise is returned to the vendor in exchange for another item the vendor may, provided the vendor allows the customer the full purchase price of the item returned plus the applicable tax, either by credit or refund, record the net difference between the selling price of the item returned and the item delivered to the customer in the exchange as an addition to or deduction from gross sales, whichever is appropriate.
 - (2) If the price of the item delivered to the customer in the exchange is greater than the price of the item returned the vendor must report the difference as an addition to gross sales and collect the appropriate amount of sales tax on the additional amount.
 - (3) If the price of the item delivered to the customer in the exchange is less than the price of the item returned the difference in price may be deducted from gross sales.
 - (4) If there is an exchange in a different jurisdiction, the return and subsequent purchase needs to account for the change in jurisdiction and rate. The jurisdiction of the original transaction is provided any applicable (legal) credit of the tax and the subsequent purchase representing an exchange is taxed at the applicable rate of the new jurisdiction on the full purchase price.
- (B) The provisions of this rule shall not apply to "trade-ins" so as to conflict with the statutory definition of "sale" and "price" as provided in section 5739.01 of the Revised Code.
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