



## Ohio Revised Code

### Section 1776.22 Formation of partnership.

Effective: August 6, 2008

Legislation: House Bill 332 - 127th General Assembly

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(A) Except as otherwise provided in division (B) of this section, any association of two or more persons to carry on as co-owners a business for-profit forms a partnership, whether or not the persons intend to form a partnership.

(B) An association formed under a statute not included in this chapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this chapter.

(C) In determining whether a partnership is formed, the following rules apply:

(1) Holding property in joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

(2) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing the returns have a joint or common right or interest in property from which the returns are derived.

(3) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment for any of the following:

(a) A debt by installments or otherwise;

(b) Services as an independent contractor or wages or other compensation to an employee;

(c) Rent;

(d) An annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner;



(e) Interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral;

(f) The sale of the goodwill of a business or other property by installments or otherwise.

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