



Ohio Revised Code

Section 5701.10 Income yield defined.

Effective: July 30, 1984

Legislation: House Bill 250 - 115th General Assembly

As used in Title LVII of the Revised Code, "income yield" means the aggregate amount paid as income by the obligor, trustee, or other source of payment to the owner or holder of an investment, whether including the taxpayer or not, during such year, and includes the following:

(A) In the case of an obligation bearing interest, the amount of interest separately charged and paid during such year exclusive of payments on the principal;

(B) In the case of shares of stock, except as otherwise provided, the dividends or other distributions so paid or distributed, other than distributions in liquidation and distributions by an investment company of a gain it realizes on the sale of real property or investments, whether such payment or distribution is in cash, notes, debentures, bonds, other property, or shares of stock, except that shares of the capital stock of a corporation, or rights to acquire such shares, distributed to its shareholders in respect of its outstanding shares shall not be reflected in the amount of the income yield of such outstanding shares, unless the distribution is, at the election of any shareholder, payable in either:

(1) Shares of stock or rights to acquire such shares;

(2) Cash, notes, debentures, bonds, or other property;

(C) The income yield of shares of stock which were not outstanding for the full calendar year next preceding the date of listing of like kind as other shares of the same corporation outstanding for such year shall be the same as the income yield of the shares of like kind outstanding for such year; except that if such shares were distributed as a stock dividend or distribution or as a stock split and such shares are of like kind as the shares on which the distribution was made, the income yield of such shares and the shares on which they were so distributed shall be the amount determined by totaling the dividends or distributions paid or distributed during such year on such shares and the shares on which they were distributed and dividing such total by the number of such shares and the shares on which they were distributed.



(D) In the case of annuities or other obligations for periodical installment payments including both principal and interest, not separately charged and paid, four per cent of half the principal used to purchase the same, or if there is no such principal, or the annuity or obligation was purchased and payments made thereunder prior to January 1, 1933, four per cent of half of the present worth of such annuity or periodical installment payments if commuted, which shall be calculated as of the date on which such investment is required by sections 5711.01 to 5711.36 of the Revised Code, to be first listed, with interest at four per cent per annum, and, in the case of annuities for life, according to the combined four per cent table;

(E) In the case of equitable interests in lands, divided into shares evidenced by transferable certificates, the cash distribution of income so made;

(F) In the case of an equitable interest in a fund made up in whole or in part of investments, the entire distributions of income by the trustee to the owner of the equitable interest to the extent represented by the net income received by the trustee from investments, deposits not taxed at the source, current accounts receivable, and other taxable intangibles as defined in Title LVII of the Revised Code;

(G) In the case of royalties under patents and copyrights, five per cent of half the value of such patents or copyrights, which value shall be calculated by the use of Hoskold's formula, applied to the gross royalties paid during such year, with sinking fund at four per cent per annum and interest at eight per cent per annum, and assuming for the purpose of every such calculation a remaining life of seventeen years as to patents and of twenty-eight years to copyrights.

At the request of the tax commissioner or any county auditor, the superintendent of insurance shall, upon being furnished with a statement of the facts, compute, upon a basis equivalent to that prescribed by this section, the income yield of any investment to which the interest is not charged and paid separately from the principal, and the assessor shall be governed by the computation so made.