



## Ohio Revised Code

### Section 5733.0511 Net income for qualifying telephone company taxpayer.

Effective: June 26, 2003

Legislation: House Bill 95 - 125th General Assembly

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(A) As used in this section:

(1) "Qualifying telephone company taxpayer" means either of the following:

(a) A telephone company, but only if the telephone company was subject to the tax imposed by section 5727.30 of the Revised Code for gross receipts received during the period from July 1, 2003, to June 30, 2004, and the telephone company's property subject to taxation under Chapter 5727. of the Revised Code for tax years 2003 through 2006 was assessed using the true value percentages provided for in division (B) of section 5727.111 of the Revised Code.

(b) Any taxpayer not described in division (A)(1)(a) of this section if a telephone company described in division (A)(1)(a) of this section transfers all or a portion of its assets and equity directly or indirectly to the taxpayer, the transfer occurred as part of an entity organization or reorganization, or subsequent entity organization or reorganization, and the gain or loss with respect to the transfer is not recognized in whole or in part for federal income tax purposes under the Internal Revenue Code on account of a transfer as part of an entity organization or reorganization, or subsequent entity organization or reorganization.

(2) "Qualifying telephone company asset" means any asset shown on the qualifying telephone company taxpayer's books and records on December 31, 2003, in accordance with generally accepted accounting principles.

(3) "Net income" has the same meaning as in division (I) of section 5733.04 of the Revised Code.

(4) "Book-tax difference" means the difference, if any, between a qualifying telephone company asset's net book value shown on the qualifying telephone company taxpayer's books and records on December 31, 2003, in accordance with generally accepted accounting principles, and such asset's adjusted basis on December 31, 2003. The book-tax difference may be a negative number.



(5) Solely for purposes of division (A)(1)(a) of this section, "tax year" has the same meaning as used in section 5727.01 of the Revised Code.

(B) In computing net income under division (I) of section 5733.04 of the Revised Code, a qualifying telephone company taxpayer shall adjust net income to reflect a ten-year amortization of the book-tax difference for each qualifying telephone company asset, in equal installments over each of the ten tax years beginning with 2010. If the net book value exceeds the adjusted basis of the asset as of December 31, 2003, net income shall be reduced in each of the ten years beginning with tax year 2010 by one-tenth of the book-tax difference. If the adjusted basis exceeds the net book value of the asset as of December 31, 2003, net income shall be increased in each of the ten years beginning with tax year 2010 by one-tenth of the absolute value of the book-tax difference. The adjustment to net income provided for by this division shall apply without regard to the disposal of those assets after December 31, 2003.

(C) The allocation and apportionment of this amortization of the book-tax difference under this section shall be governed by division (B) of section 5733.05 and by section 5733.051 of the Revised Code. The tax commissioner may prescribe rules regarding the apportionment of the amortization of the book-tax difference under this section.

(D) Nothing in this section shall allow for an adjustment more than once with respect to the same qualifying asset or allow more than one corporation to claim an adjustment with respect to the same qualifying telephone company asset.