



Ohio Revised Code

Section 5733.067 Credit concerning subsidiaries; amended report; additional payment or application for refund.

Effective: September 29, 1997

Legislation: House Bill 215 - 122nd General Assembly

(A) As used in this section, "subsidiary" means a corporation that satisfies both of the following requirements:

(1) More than fifty per cent of its capital stock with voting rights is owned or controlled either directly or indirectly by the taxpayer, or by related interests that own or control either directly or indirectly more than fifty per cent of the capital stock with voting rights of the taxpayer;

(2) Its tax is charged and paid under division (C) of section 5733.06 of the Revised Code.

(B) For tax year 1990 and each subsequent tax year prior to tax year 1999, a taxpayer whose tax is charged and paid under division (C) of section 5733.06 of the Revised Code shall be allowed a credit against the tax imposed under section 5733.06 of the Revised Code. The credit shall be claimed in the order required under section 5733.98 of the Revised Code. The credit shall be computed by multiplying the percentage specified in division (C) of this section by the least of the following:

(1) The tax charged under division (C) of section 5733.06 of the Revised Code on that portion of the net value of the taxpayer's issued and outstanding shares of stock in this state represented by investments in its subsidiaries, which shall be determined as follows:

(a) Exclude from the net book value of the taxpayer's direct investments in its subsidiaries any goodwill and appreciation therein that is excludable under division (A)(4) of section 5733.05 of the Revised Code;

(b) Multiply the result in division (B)(1)(a) of this section by one-half the sum of the taxpayer's property and business done fractions as determined under division (A) of section 5733.05 of the Revised Code;



(c) Multiply the result in division (B)(1)(b) of this section by the tax rate charged under division (C) of section 5733.06 of the Revised Code against the value of the taxpayer's issued and outstanding shares of stock.

(2) The amount by which the tax charged the taxpayer under division (C) of section 5733.06 of the Revised Code exceeds the tax that would have been charged if the tax were computed as the sum of divisions (A) and (B) of section 5733.06 of the Revised Code;

(3) The sum of the amounts by which the tax charged each subsidiary of the taxpayer under division (C) of section 5733.06 of the Revised Code, reduced by the amount of any credit to which the subsidiary is entitled under this section, exceeds the tax that would have been charged each subsidiary if the tax were computed as the sum of divisions (A) and (B) of section 5733.06 of the Revised Code.

(C) For tax year 1990 and each subsequent tax year prior to tax year 1999, the percentage used in computing the credit allowed by division (B) of this section shall be as follows:

(1) For tax year 1990, twenty-five per cent;

(2) For tax years 1991, 1992, 1993, 1994, and 1995, fifty per cent;

(3) For tax year 1996, seventy-five per cent;

(4) For tax years 1997 and 1998, one hundred per cent.

(D) Notwithstanding section 5733.031 of the Revised Code, if the credit allowed by division (B) of this section is affected by an adjustment to either the federal income tax return or the annual corporation report of the taxpayer or a subsidiary, whether the adjustment is initiated by the taxpayer, the subsidiary, the internal revenue service, or the tax commissioner, the taxpayer shall file an amended annual corporation report with the commissioner in such form as the commissioner requires. The amended report shall be filed not later than one year after the adjustment to the federal income tax return or annual corporation report of the taxpayer or subsidiary has been agreed to or finally determined, whichever occurs first.



(1) In the case of an underpayment, the amended report shall be accompanied by payment of any additional tax and interest due and is a report subject to assessment under section 5733.11 of the Revised Code solely for the purpose of assessing any additional tax due under this division, together with any applicable penalty and interest. It shall not reopen the computation of the taxpayer's tax liability under this chapter from a previously filed report no longer subject to assessment except to the extent that such liability is affected by an adjustment to the credit allowed by division (B) of this section.

(2) In the case of an overpayment, an application for refund may be filed under this division within the one-year period prescribed for filing the amended report even if it is beyond the period prescribed in division (B) of section 5733.12 of the Revised Code if it otherwise conforms to the requirements of such section. An application filed under this division shall only claim refund of overpayments resulting from an adjustment to the credit allowed by division (B) of this section unless it is also filed within the time prescribed in division (B) of section 5733.12 of the Revised Code. It shall not reopen the computation of the taxpayer's tax liability under this chapter from a previously filed report except to the extent that such liability is affected by an adjustment to the credit allowed by division (B) of this section.