











**TOP TEN LOOPHOLES TO CLOSE LIST**

	<p><b>#1: PRIVATE JET LOOPHOLE</b> – The sales tax on private jet time shares is capped at \$800. If we removed this loophole, revenue could increase by as much as \$1,000,000 annually. (ORC § 5739.025(G), orig. enacted 2003)</p>
	<p><b>#2: MEGA-RETAILERS LOOPHOLE</b> – Big retailers receive the same discount for collecting the sales tax as mom-and-pops, while most other states with sales taxes either limit the discount or don't have one at all. If we removed this loophole, revenue could increase by \$49.4 million in 2012 and \$51.6 million in 2013. (ORC § 5739.12, 5741.12; originally enacted 1981)</p>
	<p><b>#3: TAVERN TAX LOOPHOLE</b> – Beer and Malt Beverage permit holders receive a tax break for paying their taxes early – 3% credit on advance payments, which if eliminated could generate \$1.4 million each fiscal year. (ORC § 4303.33, orig. enacted 1963)</p>
	<p><b>#4: CAMPAIGN CASH LOOPHOLE</b> – Campaign contributors can claim up to \$50 (\$100 for married joint returns) tax credit for contributions to statewide candidates or candidates for the Ohio House or Senate. Closing this loophole could increase revenue by \$4.7 Million in 2012 and \$5.1 Million in 2013. (ORC § 5747.29, orig. enacted 1995)</p>
	<p><b>#5: WATERCRAFT LOOPHOLE</b> – The value of a trade-in watercraft on a new or used watercraft or outboard motor is exempt from sales and use tax. Bringing an end to this loophole could generate \$1.5 Million in 2012 and \$1.6 Million in 2013. (ORC § 5739.01(H)(3), orig. enacted 1990)</p>
	<p><b>#6: RACECAR LOOPHOLE</b> – Parts and equipment for professional motor racing teams are exempt from sales and use tax. Ending this loophole would generate unknown revenue. (ORC § 5739.02(B)(40), orig. enacted 1997)</p>
	<p><b>#7: RV LOOPHOLE</b> – Sales tax on transfer of ownership interest of a pass-through entity's interest in a recreational vehicle is exempt. For example, a person can set up a shell LLC in <a href="#">Montana</a> and pay no sales tax on the purchase. Closing this loophole would end the ability to transfer the ownership stake in the recreational vehicle tax free. (ORC § 5739.01(B)(6))</p>
	<p><b>#8: SNOWBIRD LOOPHOLE</b> – Unlike most other states, Ohio now uses “contact periods” instead of “contact days” to determine residency. It allows high income individuals to spend part of the year in a state with no income tax (i.e. Florida) and avoid paying Ohio's income tax even though they spend most of the year in Ohio. Policy Matters estimates Ohio loses \$25-30 Million per fiscal year because of this loophole. (Sub HB 73, 126th General Assembly, ORC § 5747.24, orig. enacted 2006)</p>
	<p><b>#9: LOBBYIST LOOPHOLE</b> – In 2003, the Taft administration broadened the sales tax by covering a variety of services (dry cleaning, taxi service, etc.), but a provision including lobbying services was never passed. Seven states (CT, DE, HI, NM, PA, SD, &amp; WA) currently collect taxes on lobbying services and in West Virginia, lobbying services are considered a taxable service under the state's consumer sales and service tax and use tax.</p>
	<p><b>#10: DEBT COLLECTION LOOPHOLE</b> – Debt Collection is currently exempt from our tax code. In 2003, then-Governor Taft proposed collecting sales taxes on debt collection services. Eight states (DE, HI, NM, PA, SD, TX, WA, &amp; WV) collect taxes on check and debt collection services.</p>

**Eliminated!**

For more detailed explanation of these loopholes, visit: [www.oneohionow.org](http://www.oneohionow.org)