



JOHN R. KASICH

GOVERNOR • STATE OF OHIO

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LEGISLATION SOUGHT TO REFUND BUSINESSES ALL OVERPAID TAXES

Kasich and Legislative Leaders seek to make permanent the Administration's new policy to give tax refunds to businesses without requests or red tape

COLUMBUS—Today Gov. John R. Kasich announced that he will seek legislation making permanent the Administration's new tax policy to proactively refund to businesses any and all taxes they are owed, even if they are unaware of the overpayments and even if they do not ask for the refunds.

"When job creators overpay their taxes they should have that money quickly returned in full so those funds can go to work helping businesses expand and hire more Ohioans. Unbelievably, the bureaucrats at the tax department used to play games and hold this money, hoping businesses wouldn't ask for it, and if they didn't it would eventually become the state's forever. When I learned of this we immediately got to work giving this money back. We started that last year and ramped things up further last week. I also want to see this policy made permanent so future governors can't go back to the old, wrongheaded ways, and with the support of President Faber and Speaker Batchelder we're going to make that happen," said Kasich.

Ohio Tax Commissioner Joe Testa announced last week that Ohio is accelerating its outreach to businesses that inadvertently overpaid their taxes in order to make sure they are refunded or credited every dollar owed to them. The announcement is a follow-up to efforts begun last year by the Department to refund overpayment of other businesses taxes. The change formally brings to an end the long-time practice of keeping secret from businesses their tax overpayments which, if left unclaimed after three or four years, became the property of the state.

Under previous Administrations, businesses were often not made aware of tax overpayments nor the amount. Refunds were only made if businesses caught the mistake themselves and asked for their money back, and then refunds were only made for the amount the taxpayer requested. Taxpayers who requested amounts less than they were owed only received the lesser amounts and the state kept the difference. Income taxes have not been subject to the problem since that system already refunds any overpayments automatically. The overpayment issue was discovered by the tax department while investigating an employee who has since pleaded guilty to felony theft.

The Kasich Administration overturned the old practice and Ohio has already returned more than \$10 million in commercial activity tax (CAT) overpayments made since discovering the policy. Under the second phase of the effort, Ohio has identified about \$30 million in sales and use, corporate franchise, and employer and school district withholding taxes that is owed to business taxpayers and the tax department will be contacting those businesses to help them get their money back.

Businesses who want to learn more can contact the Department of Taxation at 1-800-304-3211 or E-mail at www.tax.ohio.gov .

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