

- **Tax Enforcement** agents regularly visit vendor locations to determine if the vendor is in compliance with the various sales tax laws. Criminal charges ranging from misdemeanors to felonies may be brought against persons who:
 - Do not obtain a vendor's license
 - Fail to collect the proper sales tax
 - Fail to file sales tax returns when required
 - Fail to remit sales tax collected.

Enforcement agents also monitor compliance with other tax laws. For example, criminal charges may be brought against persons who:

- Sell cigarettes without a retail license (licenses can be purchased at the local county auditor's office)
- Possess untaxed cigarettes or "other tobacco products"
- Traffic in tobacco with intent to avoid tax
- Use dyed diesel motor fuel on the highways.

- **Casual Sales** are not subject to sales or use tax. A casual sale occurs when a person sells an item that s/he previously purchased for his/her personal use. For example, a person selling a table and chair set which she bought five years ago and used in her home is making a casual sale, one not subject to sales tax. On the other hand, a person who purchases used household goods at a yard sale and a few weeks later sells them at her own yard sale is making retail sales and needs a vendor's license. The sale of a motor vehicle, a registered watercraft, an outboard motor (ten horsepower or more), a snowmobile or an all-purpose vehicle never qualifies as a casual sale.

- **Promoters, organizers or owners** of trade shows, fairs, flea markets, exhibitions or similar events where transient vendors make retail sales, are required to maintain for at least four years, and make available to ODT, records of the vendors' names, addresses, license numbers and types of goods sold. **Failure to comply can result in criminal charges.**

- **Determining Sales Tax Rates:** Please visit the ODT web site (tax.ohio.gov) or call the Business Taxpayer Services line (1-888-405-4039) for information on the tax rates and rules governing Ohio's sales and use tax. The rules regarding delivery sales are evolving with Ohio's involvement in the national Streamlined Sales Tax Project (SSTP). The SSTP (www.streamlinedsalestax.org) is a multi-state effort to ensure equal and fair treatment of both in-state retailers required to collect state and local sales tax, and out-of-state retailers, many that are not required to collect the tax. Sales tax rates for any address in Ohio can be verified by using **The Finder**, an on-line resource available at tax.ohio.gov

... also available
@tax.ohio.gov

- Maps showing the sales tax rate in every Ohio county
- Answers to Frequently Asked Questions (FAQs)
- Tax Forms
- News and Information Releases

... and much more!

TAXPAYER SERVICE CENTERS

Call toll-free: (888) 405-4039

161 S. High St. Suite 501
AKRON, OH 44308-1600

900 Dalton Av. (at W. 8th St.)
CINCINNATI, OH 45203-1171

615 W. Superior Av., Suite 570
CLEVELAND, OH 44113-1891

30 E. Broad St., 20th Fl.
COLUMBUS, OH 43215

800 Freeway Dr. N.
COLUMBUS, OH 43229

15 E. Fourth St., 5th Fl.
DAYTON, OH 45402-2162

One Government Center, Suite 1400
TOLEDO, OH 43604-2232

242 Federal Plaza W., Suite 402
YOUNGSTOWN, OH 44503-1294

601 Underwood St.
ZANESVILLE, OH 43701-3786

VENDORS: SALES TAX LAWS IN OHIO

Covering retail sales from:

- stores
- flea markets
- fairs
- vehicles
- offices
- restaurants
- home
- and more.

To legally make retail sales in Ohio, you must:

- Obtain the proper vendor's license from the local county auditor's office or the Ohio Department of Taxation (ODT).
- Collect and remit the proper sales tax to the Ohio Department of Taxation.
(NOTE: sales tax rates vary across Ohio.)
- File sales tax returns on time, usually by the 23rd of the month following the reporting period.

Making taxable retail sales without a vendor's license is a criminal offense in Ohio.

VENDOR'S LICENSES

Ohio law requires any person or business making retail sales of tangible personal property or taxable services to obtain a vendor's license.

There are several types of vendor's licenses. Most retailers have either a **regular county** or a **transient** vendor's license. Depending on the type of operation, a business may be required to obtain a **service** or a **delivery vendor's license**. The proper vendor's license is determined by the type of sale and where it takes place.

The fee for a license is \$25.00. A vendor's license remains valid until it is canceled. Vendor application forms are available at county auditor's offices, ODT Taxpayer Service Centers, the ODT web site (tax.ohio.gov), or by calling (800) 282-1782. Applications should be submitted electronically or by mail to the address shown on the application form.

AVAILABLE AT ANY COUNTY AUDITOR'S OFFICE

(visit www.caa.org for office locations)

- **Regular County Vendor's License** — This type of license is required when making sales from a permanent location (for example, a store). The application form is **ST-1**.

AVAILABLE AT ANY ODT SERVICE CENTER

(visit tax.ohio.gov for locations/applications)

- **Transient Vendor's License** — This type of license is required when making sales from a location on a temporary basis (for example, at a fair, an exhibition, or a trade show). These licenses are valid throughout Ohio. The application form is **ST-1T**.
- **Delivery Vendor's License** — This type of license is issued to vendors making sales based on delivery of tangible personal property or certain services at the consumer's location (for example, some heating oil vendors). This license is generally issued to businesses with no fixed location and the vendor goes to the customer's location to sell taxable items. The application form is **ST-1D**.
- **Service Vendor's License** — This type of license is issued to vendors providing a variety of different taxable services. The application form is **ST-1S**.

TAXABLE SERVICES

(updated as of January 2005)

The following services* are subject to state and local sales tax. Please note that the services are grouped by the type of vendor's license required for that service.

*(see next panel)

Service Vendor's License required

- automatic data processing, computer or electronic information services (including Internet access, and/or e-mail service) provided for use in a business.
- building maintenance and janitorial service.
- employment or employment placement service.
- exterminating service.
- information service using a nine-hundred telephone call (1-900).
- landscaping, lawn care, or snow removal service if annual sales exceed \$5,000.
- private investigation or security service.
- satellite broadcasting service.
- telecommunication services.

Regular County Vendor's License required

- fabrication, installation, repair, and/or storage of tangible personal property.
- hotel or similar room rentals.
- laundry and dry cleaning (excludes coin-operated machine sales).
- personal care service, including skin care, application of cosmetics, manicures, pedicures, hair removal, tattoos, body piercing, tanning, massage and other similar services. It does not include hair care, cutting, coloring, or styling. (**Note:** if no fixed place of business, these services require a transient vendor's license).
- physical fitness facility service.
- recreation and sports club service.
- towing of motor vehicles, including those wrecked, disabled, or illegally parked.
- washing (except coin-operated), cleaning, waxing, polishing, or painting of motor vehicles.
- transportation of persons within Ohio (except by public transit systems or commercial airlines).

FILING REQUIREMENTS

Several weeks after you apply for or obtain a vendor's license, ODT will send you a letter that verifies your license number and provides your filing schedule. Returns must be filed by the due date—generally the 23rd day of the month following the reporting period—even if no sales are made or no tax is due. Failing to file a return or remit tax due will result in fines, penalties and possibly criminal charges.

Sales tax returns can be filed and payments can be made on-line using the **Ohio Business Gateway** (obg.ohio.gov), by telephone (**800-697-0440**), or by U.S. mail.

IMPORTANT NUMBERS

Forms Request: (800) 282-1782
Business Taxpayer Assistance: (888) 405-4039
Tax Fraud Hotline: (800) 757-6091
Ohio Relay for the
Hearing Impaired: (800) 750-0750

IMPORTANT NOTES

- **Non-profit organizations** exempt under Section (501(c)(3) of the Internal Revenue Code that make retail sales no more than six days a year are not required to have a vendor's license or collect tax on those sales. If sales occur on more than six days, the organization must obtain a license, charge and remit tax.