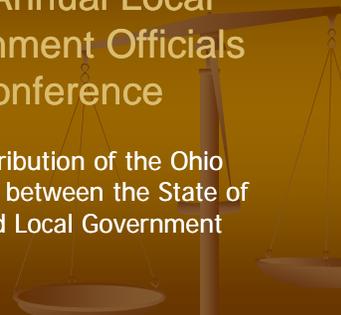


## 11<sup>th</sup> Annual Local Government Officials Conference

The Distribution of the Ohio Estate Tax between the State of Ohio and Local Government



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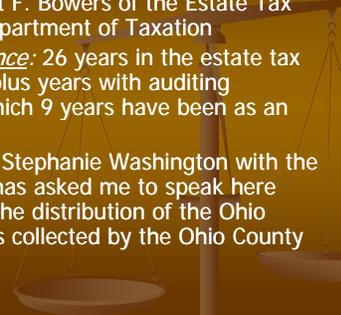
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### Introduction:

- *Who am I?* Brent F. Bowers of the Estate Tax Division, Ohio Department of Taxation
- *Personal experience:* 26 years in the estate tax division with 20 plus years with auditing experience, of which 9 years have been as an Audit Supervisor.
- *Why am I here?* Stephanie Washington with the Auditor of State has asked me to speak here today regarding the distribution of the Ohio Estate Tax dollars collected by the Ohio County Auditors.



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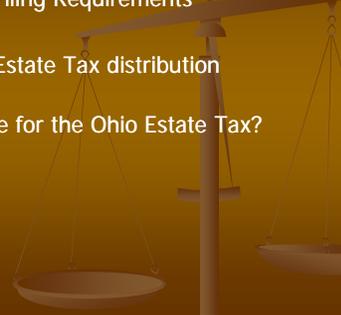
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### Main Points of Discussion:

- Ohio Estate Tax Filing Requirements
- What is the split?
- How is the Ohio Estate Tax distribution calculated?
- What is the future for the Ohio Estate Tax?
- Forms
- Confidentiality
- Web Sites



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### Ohio Estate Tax Filing Requirements

- For decedent's with a date of death on or after 01/01/2002
  - Filing threshold is \$338,333.00
  - Estate tax dollars are paid directly to the county treasurer via the county auditor.
  - Estate tax dollars are distributed to the locals and the State each February 25<sup>th</sup>. and August 20<sup>th</sup>.

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### Ohio Estate Tax Filing Requirements

- Estate Tax Collections and Distributions FY 2003 - 2008

Fiscal Year	Total Collections	State General Revenue	Local Governments
2003	357.7 m	100.8 m	256.9 m
2004	290.3 m	64.2 m	226.1 m
2005	300.9 m	60.4 m	240.5 m
2006	272.0 m	54.1 m	217.9 m
2007	359.4 m	72.1 m	287.3 m
2008	317.1 m	61.4 m	255.7 m

[tax.ohio.gov/divisions/communications/publications/annual\\_reports](http://tax.ohio.gov/divisions/communications/publications/annual_reports)

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### What is the split?

<i><b>From:</b></i>	<i><b>To:</b></i>	<i><b>Split</b></i>
Prior to	06/30/1983	50/50 (Local / State)
07/01/1983	12/31/2000	64/30 (Local / State)
01/01/2001	12/31/2001	70/30 (Local / State)
01/01/2002	Present	80/20 (Local / State)

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### How is the Ohio Estate Tax distribution calculated?

- For this example, we will assume that the date of death is after 01/01/2002 (i.e., 80/20 split).

Local A (Residence)	Real Estate - \$250,000.
Local B	Real Estate - \$200,000.
Local C	Real Estate - \$100,000.
Intangible assets (tax generated goes to residence)	Value \$375,000.
Tangible assets (tax generated goes to location of tangible assets)	Value \$125,000.
Gross Estate = \$1,050,000. - \$55,000. (deductions) = \$995,000. (Net Estate) Tax Generated = \$44,350.	80 / 20 Split - Ohio (20%) = \$8,870. (44,350 x 20%) Locals (80%) = \$35,480. (44,350 x 80%) Total===== \$44,350. (100%)

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### What is the future for the Ohio Estate

- H.B. 456 – 128<sup>th</sup> General Assembly,
- H.B. 326 - 128<sup>th</sup> General Assembly,
- H.B. 61 – 128<sup>th</sup> General Assembly,
- H.B. 4 – 127<sup>th</sup> General Assembly,
- H.B. 3 – 127<sup>th</sup> General Assembly.

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### How is the Ohio Estate Tax distribution calculated?

- To be distributed to Locals (80%) = \$35,480. (44,350 x 80%) or \$35,480.

Local A receives	59.5238%	$((250,000. + 375,000.) / 1,050,000.)$	\$21,119.045
Local B receives	19.0476%	$(200,000. / 1,050,000.)$	\$6,758.089
Local C receives	9.5238%	$(100,000. / 1,050,000.)$	\$ 3,379.045
Oh yea, that tangible asset (could be a mobile home) gets distributed to the Local where is located	11.9047%	$(125,000. / 1,050,000.)$	\$4,223.788
<b>Totals</b> =====➔	<b>99.9999</b> <b>or 100%</b>	<b>1,050,000 / 1,050,000.</b>	<b>\$35,479.967 or \$35,480.</b>

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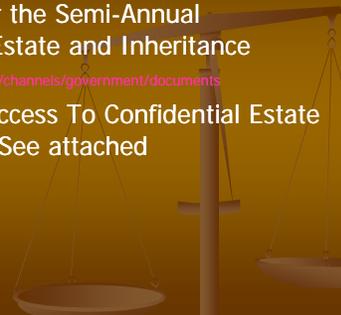
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### Forms

- Instructions for the Semi-Annual Settlement of Estate and Inheritance Taxes - [tax.ohio.gov/channels/government/documents](http://tax.ohio.gov/channels/government/documents)
- Fiscal Officer Access To Confidential Estate Tax Records – See attached



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### Confidentiality

- Of estate tax records – 5731.90 ORC



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### Web Sites

- [tax.ohio.gov/channels/government/Distribution\\_Estate\\_Tax.stm](http://tax.ohio.gov/channels/government/Distribution_Estate_Tax.stm)
- [tax.ohio.gov/divisions/communications/publications/annual\\_reports](http://tax.ohio.gov/divisions/communications/publications/annual_reports)
- [tax.ohio.gov/channels/government/documents](http://tax.ohio.gov/channels/government/documents)



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# Ohio

## DEPARTMENT OF TAXATION

To: All County Auditors

From: Michael R. Dundon, Administrator, Estate Tax Division

Re: Substitute Senate Bill 128 *MRJ*  
Fiscal Officer Access To Confidential Estate Tax Records

Date: August 8, 1994

As you may be aware, Substitute Senate Bill 128, effective January 18, 1994, allows fiscal officers of Ohio municipalities and townships to obtain confidential information regarding a decedent's estate in conjunction with their duties and responsibilities under Chapter 5731. (See Section 5731.90(A)(2)(a) O.R.C.) In order to best accommodate these officers, we must first understand what their statutory duties and responsibilities entail which would necessitate the need to access the confidential information described in Section 5731.90(A)(1) O.R.C.

These government subdivisions have an interest in Chapter 5731 as it relates to their share of the estate tax revenues determined at the semiannual settlement periods mandated in Section 5731.46 O.R.C. Under Section 321.341 O.R.C., the fiscal officers may request from the county auditor a maximum of 75% of the general estate tax fund standing to their credit prior to the settlement date. Thus, the duties for which the fiscal officers may need access to confidential information relate to verification of that portion of the estate tax to which they may be entitled.

Based upon applicable statutory law, the Estate Tax Division recommends that the procedure detailed on the attached pages be implemented to assist the fiscal officers in obtaining the needed confidential information.

Copies of this procedure have been distributed to each probate court and the associations which represent the fiscal officers, so that each is aware of the process by which information should be requested and obtained.

As always, we thank you for your assistance and encourage you to contact our legal staff at (614)466-8490 if you should have any questions.



P.O. Box 530  
Columbus, Ohio 43266-0030

OHIO ESTATE TAX  
INFORMATION DISCLOSURE PROCEDURE

1. The fiscal officer must contact the county auditor's office in writing to request any estate information. If the auditor is uncertain whether or not the information requested is necessary for the fiscal officer to perform his/her duty, the auditor should contact the Estate Tax Division and speak with an attorney before responding to the request.
2. If the auditor's office does not have a copy of the documents requested, the auditor should contact the probate court. The court will copy the requested information and forward it to the auditor.
  - a. If the request for information is accompanied by the request for the 75% distribution, the information must be supplied within 5 business days.
  - b. A general request, not made in conjunction with a request for early distribution, must be met within a reasonable time, not to exceed 30 days.
3. The auditor will forward copies of the documents requested, along with a copy of the Information Disclosure Notice (attached), to the fiscal officer. The fiscal officer is the only person entitled to review that information. When the fiscal officer is finished with the information, the documents must be returned to the auditor.
4. The auditor will keep a record of the date of each request, the documents sent, the date the documents were sent and the date the documents were returned by the fiscal officer. The Estate Tax Division has developed an Information Disclosure Register for this purpose. (See attached).
5. The auditor will note the return of the documents by the fiscal officer on the Information Disclosure Register and destroy the documents.

OHIO ESTATE TAX  
INFORMATION DISCLOSURE NOTICE

To: \_\_\_\_\_  
From: \_\_\_\_\_  
Date: \_\_\_\_\_  
Estate of: \_\_\_\_\_

Enclosed are the documents requested regarding the above captioned estate. Please note the following disclosure limitations as mandated by Section 5731.90 O.R.C.

1. When not in use, all documents must be secured in a locked desk or filing cabinet.
2. Documents may not be copied or reproduced in any way.
3. Information contained in these documents is for the sole use of the fiscal officer and may not be divulged to other persons.
4. Documents must be returned to the county auditor when the task for which the information was requested is complete.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 10/20/01 BY 60322 BAC  
/s/ [Signature]

