

Sharon, Carla

Subject: FW: Ohio State and alcohol tax exemption

From: Gill, Scott D.

Sent: Friday, April 18, 2014 3:57 PM

To: Sharon, Carla; chris@harvestpizzeria.com; jandrioff@adu.com

Cc: Routt, Lisa

Subject: RE: Ohio State and alcohol tax exemption

I contacted the Ohio Dep't of Taxation again via phone yesterday, and was told the following by Michelle through her supervisor:

- All Alcohol sales are subject to Ohio sales tax
- Purchasers with valid exemptions are not required to pay the tax (if paid for with Company funds)
- ORC 5739.02 (B) (1) is a valid exemption for OSU: [Sales to the state or any of its political subdivisions, or to any other state or its political subdivisions if the laws of that state exempt from taxation sales made to this state and its political subdivisions;]
- OSU is an instrumentality (political subdivision) of the State



Scott D. Gill, CPA, MT

Corporate Tax Manager

Business and Finance Office of the Controller

2020 Blankenship Hall, 901 Woody Hayes Drive, Columbus, OH 43210

614-292-7540 Office

gill.414@osu.edu

Gill, Scott D.

From: Ohio Department of Taxation <taxinfo@tax.state.oh.us>
Sent: Tuesday, October 29, 2013 3:07 PM
To: Gill, Scott D.
Subject: Re: General Information/Sales & Use (KMM1980985V73588L0KM)

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In order to be exempt the payment must be made using State funds. It cannot come out of a person's own pocket only to be reimbursed later.

↳ Department procedure.

That being said, everything is tax exempt if there is a statutory reason for exemption, such as political subdivision.

Thank you for your eMail inquiry.

Original Message Follows: -----
From: gill.414@osu.edu
To: taxinfo@tax.state.oh.us
Subject: General Information/Sales & Use
Date: Tue, 29 Oct 2013 14:18:25 +0000

OSU is a political subdivision of the State of Ohio

Form Message

Email Address: gill.414@osu.edu

TAX_TYPE: Sales & Use

CITY: columbus

COUNTRY: usa

NAME: scott gill - c/o ohio state university

ASSESS_NUM: n/a

FORM_NUM:

TAX_ADDRESS: 901 woody hayes dr - suite 2020

MSG_BODY: Can alcoholic beverages ever be exempted from sales tax pursuant to ORC 5739.02(B)(1)?
If not, could you cite the authority please. We've had employees who have had our STEC B honored for alcohol purchases, and others who have been told it can never be exempted.
Thanks!

TAX_SUBJECT: General Information

REFUND_AMT:

STATE: OH

PHONE: 6142927540

SUBJECT: General Information/Sales & Use

NOTICE_ID: n/a

ZIP: 43210

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THE OHIO STATE UNIVERSITY | Office of the Chief Information Officer

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Sales Tax on Alcohol

OSU purchases of alcohol are exempt from sales tax in the State of Ohio

1. **OSU is exempt from paying all sales tax within the State of Ohio**
 - ORC § 5739.02(B) the excise tax on each retail sale does not apply to the following:
 - (1) Sales to the state or any of its political subdivisions, or to any other state or its political subdivisions if the laws of that state exempt from taxation sales made to this state and its political subdivisions;

2. **All retail sales in the State of Ohio are subject to sales tax unless specifically exempt. OSU is specifically exempt per point 1, above.**
 - ORC § 5739.02 an excise tax is hereby levied on each retail sale made in this state
 - Franklin County sales tax is currently at 6.75%. 5.5% is set by the State of Ohio under ORC § 5739.01. 1.25% is set by Franklin County under ORC § 5739.021.
 - ORC § 5739.01(C) For the purpose of the proper administration of this chapter, and to prevent the evasion of the tax, it is presumed that all sales made in this state are subject to the tax until the contrary is established.

3. **The Ohio Department of Taxation administers all sales tax in Ohio, including the sales of liquor. Thus all sales of liquor are subject to the Sales Tax Laws outlined in points 1 and 2, above.**
 - Liquor Control publishes “Liquor Permit Information and Resource Directory”, which specifically refers to the taxing authority of the State of Ohio through ORC § 5739.

“LIQUOR PERMIT INFORMATION AND RESOURCE DIRECTORY
OHIO DEPARTMENT OF COMMERCE DIVISION OF LIQUOR CONTROL”

Taxes (State Sales/Withholding Tax... (ORC 5739.02...)
Permit holders are required to pay Ohio sales and withholding taxes. Tax delinquencies or failure to file returns can jeopardize the renewal of the permit.
 - Ohio Liquor Control Legal Department – (614) 644-2489
 - Other sections do not pull sales tax jurisdiction out of the control of the Ohio Department of Taxation. I.e. ORC § 4301.44 and ORC §4301.422 refer to specific license holders and tax levies for sports arenas only.

4. **Ohio Liquor Control is in charge of liquor permits within the State of Ohio. Liquor Control requires that retail sales taxes be paid and reported subject to Chapter 5739, which is outlined above.**
 - ORC § 5739.17 Requires every vendor in Ohio to obtain a vendor’s license... A vendor that makes retail sales subject to tax under Chapter 5739. of the Revised Code pursuant to a permit issued by the division of liquor control shall obtain a vendor’s license in the identical name and for the identical address as shown on the permit.
 - Liquor Control requires that all payments of sales and withholding taxes be up to date in order to renew and keep license. The sales tax is collected and reported subject to ORC § 5739