

The Budget and Fiscal Division performs varied internal financial, accounting, and facilities management functions that help the department run its day-to-day operations while fulfilling the essential function of providing operating funds for both state and local governments.

Communications Office

The Communications Office of the Department of Taxation serves to convey ODT's policies and procedures to the news media and the general public while providing news and information to department staff about job-related topics and the people employed in the department.

The office issues news releases to state and local media to highlight significant events and policy changes, arranges news conferences or events to spotlight major issues, and is the first line of contact in responding to media questions and requests for interviews.

A wealth of general public information about ODT and the taxes it administers, including the latest tax news and information updates, frequently-asked-questions, contact information, and historical statistics, is available on the department's Web site, tax.ohio.gov. The content of this increasingly important resource is managed by the Communications Office, with the support of liaisons in every division who provide updates in their specific areas. In Fiscal Year 2005, the Web site registered over 4.5 million visits, an increase of more than 1.2 million from the prior fiscal year. An internal Intranet site, TAXI, provides a data base of department and job-related information, while at the same time as serving as an electronic bulletin board of upcoming events.

Several publications coordinated and prepared by the Communications Office provide specific tax and statistical information to both the public and private sectors. These publications include the yearly *Annual Report* and *Ohio's Taxes: A Brief Summary of State and Local Taxes in Ohio* as well as the periodic *Business Tax Guide* and several other informational brochures and papers.

Communications publishes a monthly newsletter, **The Collector**, in both a print and an electronic version. This publication serves the department's employees by reporting significant professional and personal milestones, updates on new procedures or procedural changes, and articles on departmental programs. The TAXI Intranet site also contains a weekly feature story on people and events within the department. As of June 30, 2005, five full-time employees worked in the Communications Office.

The Communications Office uses news releases, media events, the Internet and Intranet, and publications to support the primary ODT mission of providing quality service through the timely delivery of information to both external and internal audiences that helps everyone understand their responsibilities and comply with the tax law.

Office of Chief Counsel

The Office of Chief Counsel is responsible for the tax legal affairs of the Department of Taxation. It is divided into five areas: the Problem Resolution Office, Appeals Management Division, Bankruptcy Division, and the Tax Appeals Division, as well as Legal Counsels that provide assistance with specific taxes.

The Office of Chief Counsel is also responsible for enacting, amending or rescinding rules promulgated by the Tax Commissioner (see **Rule Review** chapter) and shares responsibility for the issuance of information releases with other divisions of the department.

Note: all case information shown below is on a calendar year basis.

Appeals Management Division

The Appeals Management Division serves as liaison with the Attorney General's office for all litigation that involves the department, except personnel actions. Much of the work of the division involves the mediation of appeals at the Board of Tax Appeals and Ohio Supreme Court. In April 2005, the Resolution Unit was added to the division to work with the Offers in Compromise program and settlements of assessments certified to the Attorney General's office. The Appeals Management Division had seven employees as of June 30, 2005.

Board of Tax Appeals	Courts of Appeals	Ohio Supreme Court
Cases on appeal beyond Taxation as of 12/31/04:		
342	2	17
as of 12/31/03:		
323	0	32

Bankruptcy Division

The Bankruptcy Division handles the filing of the department's Proofs of Claims with various Bankruptcy Courts throughout the country. The Bankruptcy Division had eight employees as of June 30, 2005.

Bankruptcy Proofs of Claims Handled by Bankruptcy Division

Cal. Yr. Filed	Total Notices Received	Total Proofs Processed	Total Amount Filed
2004	10,870	2,909	\$117,265,290
2003	8,796	2,042	\$56,822,036

Problem Resolution Officer

The Problem Resolution Officer (PRO), assigned to the Office of Chief Counsel, is a special resource for taxpayers. This individual serves as a liaison between the Ohio Department of Taxation and taxpayers when the normal lines of communication break down. The PRO is authorized by Ohio



Revised Code section 5703.52, which states that the PRO or additional persons designated for this office “shall receive and review inquiries and complaints concerning matters that have been pending before the department for an unreasonable length of time or matters to which a taxpayer has been unable to obtain a satisfactory response after several attempts to communicate with the employee of the department assigned to the taxpayer’s case or the employee’s immediate supervisor.”

The PRO works with the appropriate employees and the taxpayer to determine the precise circumstances of their issue and to arrive at the appropriate resolution. Education and explanation regarding the applicable laws and rules are key parts of this process. Most tax situations can be reviewed by the PRO, except for appeals of final determinations of the Tax Commissioner or cases certified to the Ohio Attorney General for collection. The PRO is available to assist taxpayers by mail, telephone, or through the department’s Web site.

Tax Appeals Division

The Tax Appeals Division conducts most of the administrative appeal hearings within the department and issues the Tax Commissioner’s final determination in these tax matters. The Tax Appeals Division had nineteen hearing officers and supervisors and three support staff as of June 30, 2005.

Final Determinations Issued by Tax Appeals Division

Cal. Yr.	Opening Balance	Cases Received	Cases Out	Ending Balance
2004	756	1,422	1,040	1,138
2003	1,073	861	1,178	756

Legal Counsels

The Department of Taxation has eight legal counsels. They are responsible for drafting and reviewing legislation, rules, and information releases. The counsels also draft formal and informal tax opinions.

Legal counsels are assigned to the Personal Property Tax, Office of Chief Counsel, Estate Tax, Sales/Use Tax, Tax Equalization, Compliance, Legislation, and Individual Income/Corporation Franchise Tax divisions.

Formal Tax Commissioner Opinions Issued

Calendar Year 2004: 6

Calendar Year 2003: 5

The Office of Chief Counsel provides the legal support necessary to carry out the Department of Taxation’s mission of providing quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

Information Releases Issued / Updated in Fiscal Year 2005:

General Information Releases

“Ohio Budget Bill (Fiscal Years 2006-07); Major Ohio Tax Law Changes,” June 22, 2005.

Corporation Franchise Tax

CFT 2004-02, IT 2004-02 — “Income and Franchise Tax Updates,” December 30, 2004.

CFT 2004-03 — “Questions Regarding Ohio’s Manufacturing Machinery and Equipment Tax Credit — R.C. 5733.33 & 5747.31,” September, 2004; revised, February, 2005.

Estate Tax

None.

Excise and Motor Fuel Taxes:

Alcoholic Beverages

None.

Cigarette and Other Tobacco Products

XT 2005-05 — “Cigarette Tax Increase for All Ohio Non-Stamping Cigarette Wholesalers,” June 23, 2005.

XT 2005-04 — “Cigarette Tax Increase for All Ohio Stamping Cigarette Wholesalers,” June 23, 2005.

XT 2005-03 — “Cigarette Tax Increase for All Ohio Cigarette Retailers,” June 22, 2005.

Motor Vehicle Fuel Tax

XT 2005-07 — “Fuel Tax Surcharge Reduction for IFTA Accounts,” June 30, 2005.

XT 2005-06 — “Fuel Tax Surcharge Reduction for Ohio Fuel Use Tax (FUT) Accounts,” June 30, 2005.

XT 2005-08 — “Motor Fuel Shrinkage Allowance Reduction for Ohio Motor Fuel Dealers,” June 28, 2005.

XT 2005-02 — “Motor Fuel Tax Increase,” June 3, 2005.

XT 2005-01 — “Proper Reporting of Biodiesels (Including Soy Oil and Soy Diesels),” May 16, 2005.

XT 2004-03 — “Motor Fuel Tax Refund Claims for Agricultural, Industrial, and Miscellaneous Refund Claimants,” August 6, 2004.

Replacement Tire Fee

None.

Ohio Income Tax

IT 2004-02, CFT 2004-02 — “Income and Franchise Tax Updates,” December 30, 2004.

Fiduciary

None.

Property Taxes:**Personal Property**

PP 2005-01 — “Valuation of Personal Property in a Lump-Sum Transaction Involving a Complete Business, Division, or Entire Plant,” January, 2005.

PP 2004-02 — “New Requirements in Filing 2005 Personal Property Tax Returns,” December 29, 2004.

Real Property

RP 2004-01 — “Amnesty for Real Property Tax Exemption Applications Dismissed Pursuant to *Cleveland Clinic Found. v. Wilkins*, 103 Ohio St.3d 382 (2004),” December 30, 2004.

Sales and Use Tax

ST 2005-04 — “Information Retention and Sharing Practices Related to Sales and Use Tax,” May, 2005.

ST 2005-03 — “Electronic Payment Methods,” May, 2005.

ST 2005-02 — “Exemption Certificate Forms,” May, 2005.

ST 2005-01 — “Vendor Compensation,” April, 2005; **revised**, July, 2005.

ST 2004-03 — “Internet Service Provider’s Equipment,” December, 2004.

ST 2004-02 — “Sourcing Law Change Update,” August, 2004; **updated**, June, 2005.

Employee Development & Training/Quality Programs Division

The Employee Development and Training/Quality Programs (ED&T/QP) Division provides practical and applied professional skill development opportunities for all Department of Taxation employees.

The division works with the tax administration and service and support divisions to assess their ongoing organizational and staff development needs. It presents appropriate training for bargaining unit clerical/support and administrative staff, and exempt professional and management/executive staff.

ED&T staff also coordinates with ODT’s Technical Training Managers to support technical training requirements throughout the department. This

training includes job-related skill training as well as general skills improvement training in such areas as interpersonal communications and customer service.

Further, ED&T offers supervisors and managers the opportunity to enhance their management skills by attending some or all of the classes comprising ODT’s Management Development Curriculum — a series of discrete topic workshops designed to focus on various aspects of the manager’s responsibilities in a public organization.

Other ED&T responsibilities include:

- Facilitating ODT’s applications to the Ohio Award for Excellence (OAE), as well as providing training and staffing support to ODT’s quality process improvement initiatives, including the Quality Services through Partnership (QStP) program.
- Coordinating ODT’s involvement in the statewide Public Practice Continuing Legal Education (PP/CLE) Coalition, including presenting a minimum of two Public Practice CLE seminars per year, as well as the department’s participation in other professional development programs available to state employees.
- Providing a range of career development services for ODT employees including coordinating the Workforce Development program for bargaining unit employees and both the State of Ohio’s Exempt Professional Development Program (EPDP) and ODT’s TaxTAP tuition reimbursement program for exempt employees, as well as providing individual career counseling and group career development workshops.
- Several additional corporate citizenship and job enrichment/employee recognition programs are administered or facilitated by ED&T including: annual employee recognition and biennial 25-year employee recognition programs, the “PEP” employee recognition program and the department’s “Partners In Education” and “OhioReads” programs. Annually, the ED&T staff also manages the three major statewide charitable campaigns — Operation Feed, the Combined Charitable Campaign and the Holiday Food Basket drive throughout the department.
- One of the division’s most effective services is the coordination and maintenance of a department-wide learning management system (LMS) called TrAX. This LMS supports the goals of employee career and personal growth by supplying the workforce with a tool that can be used to manage training requirements and career development plans. The ODT management team can use the LMS to support succession planning, track employee progress toward achieving training goals, and to conduct unit competency gap analysis. It also serves as a platform for on-line training.

The accomplishments of the ED&T/QP Division in providing practical and applied professional skill development for ODT employees are a major component of providing quality service to the citizens of Ohio by supporting high standards of competence and professionalism within the department.