



Office of the Program Director
State of Ohio
30 East Broad Street, 39th Floor
Columbus, Ohio 43215
Phone 614.466.7344
Fax 614.387.5558

December 5, 2005

Dear Municipal Income Tax Administrator:

Thank you for your efforts this year to help develop and implement phase I of the Municipal Income Tax Project on OBG. I am pleased to announce that, as a result of our partnering to satisfy the directives of the Ohio Revised Code (ORC), Ohio's businesses are now able to use OBG's Electronic Filing Services to file estimated payments and extension requests with more than 450 municipalities in Ohio. OBG's growing transaction volume now includes thousands of dollars of reported municipal income tax liabilities.

If your municipality is currently active on OBG, I encourage you to include references to OBG's Electronic Filing Services on your printed tax forms and web sites. Full realization of the benefits and efficiencies of electronic filing is dependent upon continued growth in the utilization of the services. Please contact the OBG program office if you would like assistance with logos or web links to integrate with your materials.

As required by the ORC, OBG will implement phase II of the Project in early 2006 and provide businesses with the opportunity to file municipal Net Profits Returns for tax year 2005. We have again solicited input from forum groups comprised of business and municipal income tax representatives to help insure that this new electronic filing service adheres to the municipal income tax laws as stated in the ORC and that municipalities are able to continue to administer their income taxes. The Net Profits Return will operate in concert with phase I of the Project, so there will be no change in the way that tax payments are processed with your bank or the manner in which tax data is delivered to you via the secure electronic mailboxes.

Your municipality will soon receive the 2006 *Municipal Profile Certification* via US postal mail. This year we are partnering with the Ohio Department of Taxation (ODT) to reduce the number of certifications municipalities provide to state agencies. The 2006 certification will include both ODT's *Municipal Income Tax Rate and Recipient of Municipal Income Tax Information* and OBG's *Municipal Profile Certification*. To enable OBG to successfully develop the Net Profits Return, the 2006 certification also requests new information regarding local provisions affecting the Net Profits Return. Whether or not your municipality is currently active on OBG, if you have an income tax you must return the certification to satisfy requirements with ODT. If your municipality utilizes the services of a third party tax administrator (e.g. CCA, RITA, etc.), that administrator will help coordinate your certification.

I am looking forward to speaking at upcoming meetings of local tax administrator organizations to review the progress thus far and discuss the development of the Net Profits Return for 2006 (much more information will be available over the coming weeks). If you have questions about the Project, please contact my office at 614-466-7344 or visit the Project web site (<http://munitax.obg.ohio.gov>).

Thank you for your continued support and assistance.

Sincerely,

Joe Zapotosky
Program Director