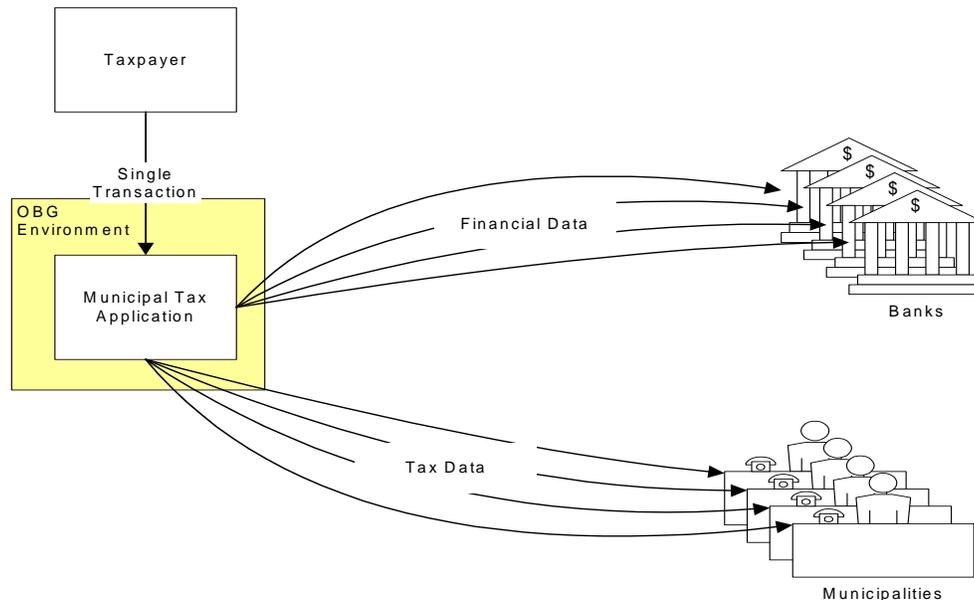




Municipal Tax Electronic Filing Process Overview for Tax Administrators

Starting in January 2005, the Ohio Business Gateway's (OBG) Municipal Tax Electronic Filing Application will allow businesses to file extension requests and make estimated tax payments. This document provides an overview of the high level process by which the OBG will collect taxpayer data and payment information and forward this information to municipalities and the respective tax administration system. This process overview is not intended to be a detailed specification.

High Level Diagram



1. Municipalities provide OBG with basic information in order to establish a municipality profile on OBG and start the process of becoming OBG-enabled.

A municipality must have a profile with OBG before taxpayers can use OBG to file with that municipality. The municipality profile contains basic information about the municipality such as its name, tax contacts, tax rates, who administers the tax (e.g. done internally or by a third party administrator/TPA such as CCA or RITA), and to what bank tax payments should be delivered. (Additional items for the municipality profile will be highlighted elsewhere in this process overview.) This information is necessary to ensure that the appropriate on-screen prompts and help information can be displayed during the electronic filing process. This information will also ensure that the OBG will correctly forward data to the appropriate tax administration system (internal or TPA). Initially, most of the information for the

municipality profiles will be obtained through a survey process. Final verifications will occur shortly before product launch in January 2005.

A fully OBG-enabled municipality will ultimately have all necessary profile data on file as well as an established banking relationship that supports ACH debit payment instructions collected from taxpayers. Banking relationships are owned and maintained by the municipalities but the banking partner will need to be able to receive payment instructions from the OBG. (The municipal profile data will help begin the work to define the details involved with passing taxpayer payment instructions to the banking partners.)

2. A properly registered business establishes a municipal taxpayer profile on OBG.

A properly registered business is one that has first registered (or otherwise established accounts) with the tax administrators of the municipalities with which that business intends to file. The business must also have a basic OBG user account set up. The municipal taxpayer profile will allow the business to customize the filing application so that only the OBG-enabled municipalities with which the business might file are displayed during data entry. In addition, if a local identification/account number is required by the municipal tax administrator, the OBG application can require that number be provided in the taxpayer profile before the business can file using OBG.

3. A properly registered business logs on to OBG, starts a filing session, and files a form within the Municipal Tax Electronic Filing Application.

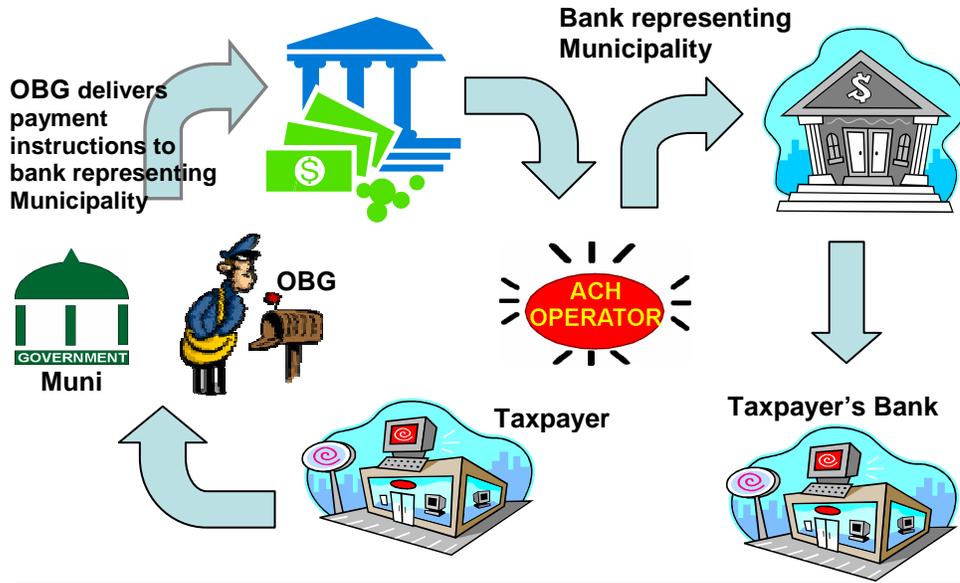
Starting in January 2005, only forms for estimated payments and extension requests will be available. During a given filing session, the business can choose to file with any or all of the municipalities from its taxpayer profile. Through a sequence of interview screens and data entry fields, the OBG application will gather all required tax data for each municipality with which the business is filing. This process is similar to a filling out a paper form, but with notable exceptions. For example, basic business identification data that is already part of the taxpayer profile does not have to be re-entered during this data entry process. Also, the OBG application can automatically calculate taxes due based on the tax rate data on file in the municipality profile. The OBG application will track data to maintain the 1:1 relationship between the business and each municipality, just as if the taxpayer were filling out separate forms for each municipality.

4. The business makes a payment for any taxes due.

The OBG application will present a summary of the amounts due to the various municipalities. The business can then enter ACH debit payment instructions to have amounts automatically withdrawn from a checking account and deposited to the bank accounts of the municipalities to which amounts are due. The OBG application will maintain the 1:1 relationship between the business and each municipality, so if the business were paying liabilities with several municipalities then each municipality would receive a separate payment (just as if the business were writing separate checks to each municipality). When the business completes the payment process, the OBG application will provide a unique confirmation number for the entire filing session. This confirmation number can be used to track the tax data and payments when they are ultimately forwarded by OBG to the municipalities.

5. (A) OBG forwards payment information to municipality banks.

Based on the banking information on file in the municipality profile, OBG will forward the ACH debit payment instructions to the appropriate bank for each municipality. The municipality's bank will process the ACH debit payments. Payments will go directly from taxpayers to the municipalities' bank accounts. Municipalities will retain full control over their account, the taxpayers' payments, and the reporting they receive from their bank. If a municipality's profile indicates a TPA is used, OBG deliver payment instructions to the appropriate banking partner of the TPA.



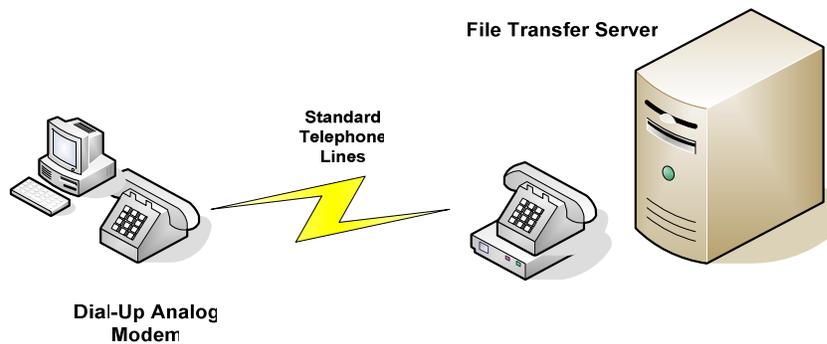
5. (B) OBG forwards tax data information to municipal tax administrators.

Using information in the taxpayer profile along with the data entered by the taxpayer during the filing session, OBG will construct a report for the municipalities that is essentially the same as a paper-based form. OBG will make this report available to the municipality in human or machine readable (or both) report formats depending on the preference indicated by the municipality profile. OBG will manage the report distribution so that municipalities receive only their tax data. Human readable formats will look similar to a paper-based form and could be printed, whereas machine readable formats might be imported into an electronic tax administration system. Some municipalities may want to specify how frequently they want to receive the tax data in order to have the tax data processing coincide with other internal business processes, and the municipality profile will capture this preference. If a municipality's profile indicates a TPA is used, OBG will deliver the tax data to the TPA instead of the municipality.

The reports will be provided to the municipalities through the use of Internet Electronic Mailboxes. Tax administrators will access their mailboxes to download their data using one of two methods as indicated by the municipality profile. Most municipalities will use a standard secure internet web browser to access their mailbox:



IT-enabled tax administration systems (those municipalities with resources to implement fully-automated data retrieval and importation to an electronic administration system) will be able to dial into a server storing this information over standard telephone lines:



A process is being developed to allow municipalities without access to computer hardware to obtain state-issued equipment. These municipalities will be highlighted through the survey process and contacted later this year with details of how they can obtain computer hardware for use with this application.