

Publications

Ohio Budget 2026–2027 – Sales and Use Tax Update

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On June 30, 2025, Governor Mike DeWine signed Am. Sub. House Bill 96 (H.B. 96 or the Budget Bill) into law. The Budget Bill covers fiscal years 2026–2027. It includes several changes to R.C. 5739 and R.C. 5741, the Ohio Revised Code Sections governing Ohio's sales and use tax. The most noteworthy changes are summarized below:

- Repeals the 25% partial refund of sales tax paid by providers of electronic information services set forth in R.C. 5739.071. (eff. January 1, 2026)
- Repeals the exemption under R.C. 5739.02(B)(42)(p) for payment for a rented motor vehicle provided to owner or lessee of a motor vehicle being repaired or service, where the payment is reimbursed by a manufacturer, warrantor or the services/maintenance provider. (eff. January 1, 2026)
- Repeals the exemption under R.C. 5739.02(B)(35)(c) for sales of equipment such as telephones and computers used to accept direct marketing retail sales.
- Limits the sales tax vendor 0.75% discount under R.C. 5739.12 to \$750 per month for all retailers who timely collect and remit sales tax to Ohio. A last minute change to the Budget Bill removed the vendor discount cap for sales and leases of motor vehicles by a motor vehicle dealer. (eff. January 1, 2026)
- Eliminates interest on sales and use tax refunds paid pursuant to a direct pay permit. (eff. September 30, 2025)
- Eliminates interest on the county portion of sales and use tax refunds. (eff. September 30, 2025)

Governor DeWine vetoed (via line-item veto) the proposed repeal of the sales and use tax exemptions for the sales of newspapers and motion pictures, as well as the exemption for data centers. To date, the Ohio Legislature has not overridden these vetoes of the governor.