



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

Sam Benham

### **H.B. 641**

132nd General Assembly  
(As Introduced)

**Reps.** Antani, Becker, Lang, Riedel, Hood

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### **BILL SUMMARY**

- Exempts from sales and use tax things purchased by an interstate logistics business and used to move manufactured products from a manufacturing facility to the products' point of departure, and equipment to power or charge such things.
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### **CONTENT AND OPERATION**

#### **Logistics equipment exemption**

The bill authorizes a sales and use tax exemption for sales of certain tangible personal property (TPP) to a qualifying interstate logistics business, i.e., a business classified as operating in the transportation and warehousing sector that primarily engages in transporting TPP in the business's trucks to out-of-state destinations. Specifically, the exemption applies to (1) TPP used primarily for transporting manufactured products from the manufacturing facility to a place from which those products will be removed from that facility and (2) TPP used to power or charge that transportation equipment.<sup>1</sup> The exemption applies beginning January 1, 2019.<sup>2</sup>

Continuing law exempts from sales and use tax TPP used primarily in a manufacturing operation to produce TPP for sale, but this exemption does not apply to TPP purchased for use after the manufacturing process is complete.<sup>3</sup> Continuing law

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<sup>1</sup> R.C. 5739.02(B)(56).

<sup>2</sup> Section 3.

<sup>3</sup> R.C. 5739.011, not in the bill and 5739.02(B)(42)(g).

also exempts motor vehicles used primarily for transporting TPP by a logistics business, or components or the repair of those vehicles.<sup>4</sup>

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## HISTORY

ACTION	DATE
Introduced	05-09-18

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<sup>4</sup> R.C. 5739.02(B)(32).

