

# Defending Against Ohio Tax Audits and Appealing Ohio Tax Assessments

**By Christopher W. Tackett & Daniel B. Waters**

The Ohio Department of Taxation (“The Department”) investigates and institutes various types of audits to explore potential non-compliance by businesses. Thus, Ohio businesses should be aware that this potential cost and exposure is lurking out there and should take steps to make sure they are in the best position possible in the event of a future audit. Among other issues, The Department frequently audits Ohio businesses regarding their compliance with Ohio sales/use tax laws and regarding worker classification issues. If your business receives notice of an audit from The Department, getting counsel involved early is often the best way to ensure that the audit goes smoothly and that exposure relating to the audit is as limited as possible. Having counsel involved at the start can help minimize this exposure. Failure to get counsel involved at the audit stage is a common mistake that companies make, which can lead to a mishandled audit with potential exposure that spirals, and costly penalties being imposed on the company being audited.

If your business does receive an assessment of additional tax from The Department, your business may still have several options to address this issue and appeal the tax. Legal counsel can assist you as you review your options for appealing any tax and penalties when your business receives a Notice of Assessment from the Department. Once your business receives an assessment, you are permitted to file a Petition for Reassessment with the Ohio Tax Commissioner’s office, which is a required first step in the administrative appeal process. After filing, the Petition for Reassessment with The Department, your legal counsel will have the opportunity to have a hearing in front of the Ohio Tax Commissioner’s office to plead your position or attempt to negotiate a reduction in tax and penalties. Following a hearing before the Ohio Tax Commissioner’s office, the Commissioner will ultimately issue a Final Determination regarding your business’s tax liabilities. After obtaining the Tax Commissioner’s ruling, your business may file an appeal with the Ohio Board of Tax Appeals.

The tax attorneys at Roetzel and Andress LPA have assisted numerous taxpayers with their tax matters before The Department and Ohio Board of Tax Appeals. It has been our experience that when there are significant amounts of additional tax and penalties being assessed, obtaining experienced counsel early in the process can significantly reduce the overall tax and penalties. Please contact any of the listed attorneys if you have any questions about this article or a local, state, or federal tax concern facing your business. Our attorneys can also assist with advising your business regarding best practices for minimizing exposure to audits.

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