



GENERAL SECTION

Tax Exemption Available for Air Pollution Control Equipment

The Ohio EPA has a tax exemption program for companies that install air or noise pollution control equipment. The program is available to facilities that are in compliance with all applicable Ohio EPA regulations. Taxes that can be exempted include real property taxes, personal property tax, and franchise taxes for the equipment installed.

Facilities must either have a current Ohio EPA Permit to Operate (PTO) or must be able to demonstrate their compliance with applicable regulations in writing. In addition, the air pollution control equipment must be “capable of bringing the air pollution source(s) into compliance with Ohio EPA regulations” and the “items sought for tax exemption must be solely for air pollution control.” The tax exemption program is covered by ORC 5709.20 through 5709.27, as well as OAC 5703-1-06.

The APC must be suitable and reasonably adequate collectors of pollutants and intended for such purposes. Ohio EPA documents indicate that “an air pollution control facility (or the part or portions), must meet the following requirements before certification can be granted:

- be suitable, reasonably adequate and intended for air pollution control purposes;
- not designed, constructed or installed solely for the benefit of personnel or business;
- currently in use or for emergency stand-by purposes;
- designed, constructed or installed for the primary purpose of eliminating or reducing the emission of, or ground level concentration of, air pollutants; and
- in compliance with all air pollution control regulations of the Ohio EPA.”

Some of the required information in a tax exemption application includes:

- A copy of the plans, specifications, and drawings for the facility;
- A list of the major component parts and costs, process flow diagrams;
- The cost of the entire APC facility to the applicant, including total actual cost of the portion sought to be exempt;
- The status of construction of the facility at the date of the application;
- Any required Ohio EPA permit information; and
- A narrative statement (including purpose for installation, any specific process or operation the APC serves, types of pollutants controlled, disposition of collected materials).

Information on the tax exemption, application forms, exemption procedures, regulations and other non-air pollution control exemptions can be obtained from the Ohio Department of Taxation. Detailed information on the air pollution control exemption is available from the Ohio EPA.

Similar tax exemptions are available for water pollution control equipment.

Summary

Your company may be able to obtain a tax exemption for the purchase of air pollution control equipment. If you would like assistance in determining if your facility can take advantage of this program, please contact Emily Rynders or Dave Strayer at (513) 489-2255 or via e-mail at ear@paynefirm.com or dcs@paynefirm.com.