

CITY OF ENGLEWOOD

IN

MONTGOMERY COUNTY, OHIO

ORDINANCE: 23-16

PASSED: November 28, 2023

AN ORDINANCE: TO AMEND CHAPTER 881, MUNICIPAL INCOME TAX, OF THE CODIFIED ORDINANCE OF THE CITY OF ENGLEWOOD, OHIO

WHEREAS, the City of Englewood periodically reviews the laws relating to municipal income taxes; and

WHEREAS, the State of Ohio recently adopted HB 33, the Operating Appropriations for Fiscal Years 2024-2025, which made several changes to the Ohio Revised Code municipal taxation portions; and

WHEREAS, the City of Englewood Income Tax Division has recommended certain changes to the Codified Ordinances City of Englewood relating to municipal income taxes to be consistent with the changes in the Ohio Revised Code; and

WHEREAS, it is recommended to amend Chapter 881 of the Codified Ordinances City of Englewood to incorporate these changes.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ENGLEWOOD, MONTGOMERY COUNTY, OHIO, AS FOLLOWS:

SECTION I. That the following amendment to Codified Ordinances City of Englewood Chapter 881 is hereby enacted as follows with new language to be added in **bold red italics** and text to be deleted in **strikeout**:

881.03 Definitions

(11) "Exempt income" means all of the following:

O. All of the Municipal taxable income earned by individuals ~~under sixteen years of age;~~

1. For tax years through 2023, under 16 years of age.

2. For tax years 2024 and after, under 18 years of age.

SECTION II.

That the following amendment to Codified Ordinances City of Englewood Chapter 881 is hereby enacted as follows with new language to be added in **bold red italics** and text to be deleted in ~~strikeout~~:

881.062 NET PROFIT; INCOME SUBJECT TO NET PROFIT TAX; ALTERNATIVE APPORTIONMENT.

(i) Alternative net profits apportionment for net profits with remote employees of section 718.821 Ohio Revised Code.

(1) Terms used in this section have the same meanings as in section 718.021 of the Ohio Revised Code.

(2) A taxpayer may elect to apply the provisions of this section to the apportionment of its net profit from a business or profession. For taxpayers that make this election, the provisions of section 718.82 of the Ohio Revised Code apply to such apportionment except as otherwise provided in this section. A taxpayer shall make the election allowed under this section by notifying the tax administrator in writing on or with the taxpayer's net profit return or, if applicable, a timely filed amended net profit return or a timely filed appeal of an assessment. The election applies to the taxable year for which that return or appeal is filed and for all subsequent taxable years, until the taxpayer revokes the election. After the taxpayer makes the initial election, the election applies to every municipal corporation in which the taxpayer conducts business. Nothing in this section prohibits a taxpayer from making a new election under this section after properly revoking a prior election.

(3) For the purpose of calculating the ratios described in division (A) of section 718.82 of the Ohio Revised Code, all of the following apply to a taxpayer that has made the election described in division (2) of this section:

(a) For the purpose of division (A)(1) of section 718.82 of the Ohio Revised Code, the average original cost of any tangible personal property used by a qualifying remote employee or owner at that individual's qualifying remote work location shall be sitused to that individual's qualifying reporting location.

(b) For the purpose of division (A)(2) of section 718.82 of the Ohio Revised Code, any wages, salaries, and other compensation paid during the taxable period to a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be sitused to that individual's qualifying reporting location.

(c) For the purpose of division (A)(3) of section 718.82 of the Ohio Revised Code, and notwithstanding division (D) of that section, any gross receipts of the business or profession from services performed during the taxable period by a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be sitused to that individual's qualifying reporting location.

(4) Nothing in this section prevents a taxpayer from requesting, or the tax administrator from requiring, that the taxpayer use, with respect to all or a

portion of the income of the taxpayer, an alternative apportionment method as described in division (B) of section 718.82 of the Ohio Revised Code. However, the tax administrator shall not require an alternative apportionment method in such a manner that it would cause a taxpayer to incur tax liability in a municipal corporation solely because a qualifying remote employee's or owner's qualifying remote work location is located in that municipal corporation.

(5) Except as otherwise provided in this section, nothing in this section is intended to affect the withholding of taxes on qualifying wages pursuant to sections 718.011 and 718.03 of the Ohio Revised Code.

SECTION III. That the following amendment to Codified Ordinances City of Englewood Chapter 881 is hereby enacted as follows with new language to be added in **bold red italics** and text to be deleted in ~~strikeout~~:

881.094 EXTENSION OF TIME TO FILE

(a) Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's Federal income tax return shall automatically receive an extension for the filing of a Municipal income tax return. The extended due date of the Municipal income tax return shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates. *For tax years ending on or after January 1, 2023, the extended due date of the municipal income tax return for a taxpayer that is not an individual shall be the fifteenth day of the eleventh month after the last day of the taxable year to which the return relates.*

(b) Any taxpayer that qualifies for an automatic Federal extension for a period other than six-months for filing the taxpayer's Federal income tax return shall automatically receive an extension for the filing of a Municipal income tax return. The extended due date of the Municipal income tax return shall be the same as that of the extended Federal income tax return.

(c) A taxpayer that has not requested or received a six-month extension for filing the taxpayer's Federal income tax return may request that the Tax Administrator grant the taxpayer a six-month extension of the date for filing the taxpayer's Municipal income tax return. If the request is received by the Tax Administrator on or before the date the Municipal income tax return is due, the Tax Administrator shall grant the taxpayer's requested extension.

(d) An extension of time to file under this chapter is not an extension of the time to pay any tax due unless the Tax Administrator grants an extension of that date.

(e) If the State Tax Commissioner extends for all taxpayers the date for filing State income tax returns under division (G) of Ohio R.C. 5747.08, a taxpayer shall automatically receive an extension for the filing of a Municipal income tax

return. The extended due date of the Municipal income tax return shall be the same as the extended due date of the State income tax return.

(f) If a taxpayer receives an extension for the filing of a municipal income tax return under division (a), (b), or (c) of this section, the tax administrator shall not make any inquiry or send any notice to the taxpayer with regard to the return on or before the date the taxpayer files the return or on or before the extended due date to file the return, whichever occurs first. This section does not apply to an extension received under division (b) of this section if the tax administrator has actual knowledge that the taxpayer failed to file for a federal extension as required to receive the extension under division (b) of this section or failed to file for an extension under division (b) of this section.

SECTION IV.

That the following amendment to City of Englewood, Ohio Codified Ordinance Chapter 881 is hereby enacted as follows with new language to be added in **bold red italics** and text to be deleted in ~~strikeout~~:

881.10

PENALTY, INTEREST, FEES AND CHARGES

(c) The Municipality shall impose on a taxpayer, employer, any agent of the employer, and any other payer, and will attempt to collect, the interest amounts and penalties prescribed in this section when the taxpayer, employer, any agent of the employer, or any other payer for any reason fails, in whole or in part, to make to the Municipality timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the Municipality any return required to be filed.

.....
(4) *For tax years prior to December 31, 2022*, With respect to returns other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars (\$25.00) for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars (\$150.00) in assessed penalty for each failure to timely file a return.

(5) For tax years ending on or after January 1, 2023, with respect to returns other than estimated income tax returns, Municipality may impose a penalty not exceeding twenty-five dollars (\$25) for each failure to timely file each return, regardless of the liability shown thereon, except that Municipality shall abate or refund the penalty assessed on a taxpayer's first failure to timely file a return after the taxpayer files that return.

SECTION V.

It is hereby found and determined that all formal actions of this Council concerning and relating to the Passage of this Ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION VI.

That this Ordinance shall be in full force and effect at the earliest date allowed by law.

PASSED this 28th day of November, 2023.



Thomas Franz, Mayor

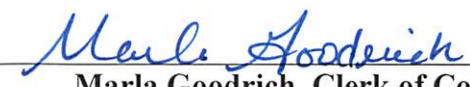
ATTEST:



Marla Goodrich, Clerk of Council

C E R T I F I C A T E

I, Marla Goodrich, Clerk of Council of the City of Englewood, Montgomery County, Ohio, do hereby certify the foregoing is a true and correct copy from the *Record of Proceedings* of said City. WITNESS my signature this 28th day of November, 2023.



Marla Goodrich, Clerk of Council

CERTIFICATE OF POSTING

I, Marla Goodrich, Clerk of Council of the City of Englewood, Montgomery County, Ohio, do hereby certify publication of the foregoing ORDINANCE was made as designated by Sections 224.01 and 24.02 of the Englewood Code.



Marla Goodrich, Clerk of Council