

CITY OF ENGLEWOOD

IN

MONTGOMERY COUNTY, OHIO

RESOLUTION NO: 10-17

PASSED: February 14, 2017

A RESOLUTION: STRONGLY OPPOSING THE STATE OF OHIO GOVERNOR'S PROPOSED 2018-2019 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED TO THE MUNICIPAL INCOME TAX WHICH WILL CAUSE A SUBSTANTIAL LOSS OF REVENUE NEEDED TO SUPPORT THE HEALTH, SAFETY, WELFARE AND ECONOMIC DEVELOPMENT EFFORTS OF OHIO MUNICIPALITIES.

WHEREAS, the Mayor and Council have been advised of a proposal by Ohio Governor Kasich and his administration to institute a state-operated program for the centralized collection of Ohio Municipal Income Tax; and

WHEREAS, the proposal for a state takeover of collection of the municipal income taxes of municipal corporations such as the City of Englewood is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution; and

WHEREAS, this proposed language also includes a provision that would eliminate a portion of the sales factor, known as "throwback", substantially reducing reportable tax revenue to municipalities with warehouses, distribution centers, and any business providing online sales; and

WHEREAS, the City of Englewood strenuously objects to this latest attack on municipal home rule under consideration by the State of Ohio and urges all municipal corporations to make it clear to the Governor and General Assembly that this proposed usurpation of constitutionally-granted local municipal power shall not take place without a vigorous legal challenge by affected municipal corporations; and

WHEREAS, the reduction in the Local Government Fund, elimination of Estate Tax, and accelerated phase-out of promised reimbursement for loss of revenues due to the repeal of the Tangible Personal Property Tax have all resulted in cumulative revenue losses of \$365,000 annually since 2010; and

WHEREAS, municipalities can and will provide the personal service and assistance to its taxpayers in the preparation and filing of their tax reports and returns; and

WHEREAS, only municipalities can ensure the prompt and proper auditing of local tax returns to ensure all applicable deductions and declarations are reported, thus also ensuring that all taxpayers pay their fair share without causing higher costs of compliance for all, and must be able to do so without burdensome and costly restrictions included in the Governor's budget proposal created with the only purpose of restricting municipalities from correcting / auditing business return filings or making assessments; and

WHEREAS, provisions in this proposal will hamper municipalities' ability to audit and correct municipal income tax business returns, to equitably enforce the municipal income tax laws and has been crafted as a vehicle to control the administrative process of municipal income tax to the benefit of specific taxpayer interests; and

WHEREAS, the municipal income tax is the single largest revenue source, which provides essential municipal services, promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on residents and businesses, creating an environment detrimental to retaining and attracting business in Ohio; and

WHEREAS, the City of Englewood does not currently pay a third party to administer its income tax code nor collect income taxes on its behalf, and the proposed 1% collection fee contained in this proposal presents and immediate and direct forfeiture of business net profit tax revenue; and

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

SECTION I That the Ohio General Assembly should request the immediate removal of all language pertaining to municipal income tax collection and administration, and should promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more simple and efficient manner, with the Ohio Business Gateway continuing to act only as a portal to remit payments and filing information directly to municipalities, and not to the Ohio Department of Taxation for processing.

SECTION II It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution 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 III That this Resolution shall be in full force and effect at the earliest date allowed by law.

PASSED this 14th day of February, 2017.

Patricia Burnside
Patricia Burnside, Mayor

ATTEST:

Kerry Norman
Kerry Norman, Clerk of Council

CERTIFICATE

I, Kerry Norman, 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 14th day of February, 2017.

Kerry Norman
Kerry Norman, Clerk of Council

CERTIFICATE OF POSTING

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

Kerry Norman
Kerry Norman, Clerk of Council