

RESOLUTION NO. 04-17
CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER John Beals ON THE
20th DAY OF February, 2017.

A RESOLUTION STRONGLY OPPOSING THE
STATE OF OHIO GOVERNOR'S PROPOSED 2017-
2018 BUDGET, WHICH PROPOSES CENTRALIZED
COLLECTION OF NET PROFIT TAX RETURNS
AND OTHER PROVISIONS RELATED TO
MUNICIPAL INCOME TAX WHICH WILL CAUSE
A SUBSTANTIAL LOSS OF REVENUE NEEDED
TO SUPPORT ESSENTIAL SERVICES AND
ECONOMIC DEVELOPMENT EFFORTS OF OHIO'S
MUNICIPALITIES

WHEREAS, Council has 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 Centerville 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 from warehouses, distribution centers, and businesses providing online sales; and

WHEREAS, the City of Centerville objects to this latest attack on municipal home rule under consideration by the State of Ohio and urges all our residents 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 recent 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 an annual loss of revenue to Centerville of over \$2.5 million; and

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

WHEREAS, 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 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 our 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 City of Centerville's single largest revenue source comprising over 83% of the City's general fund revenue, which provides essential municipal services, promoting a positive quality of life that City residents and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on City residents and businesses, creating an environment detrimental to retaining and attracting business in Centerville and throughout the state.

NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY RESOLVES:

Section 1. The Ohio General Assembly should request the immediate removal of all language from the Ohio Budget Bill pertaining to municipal income tax collection and administration, and should promote changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a simpler 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 as a conduit to the Ohio Department of Taxation for processing.

Section 2. This Resolution shall take effect at the earliest time allowed by law.

PASSED this 20th day of February, 2017.

Brook A. Compton
Mayor of the City of Centerville, Ohio

ATTEST:

Carin R. Andrews
Clerk of Council of the City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of the Council of the City of Centerville, Ohio, hereby certifies that the foregoing is a true and correct copy of Resolution Number 04-17, passed by the Council of the City of Centerville, Ohio, on the 20th day of February, 2017.

Carin R. Andrews
Clerk of Council

Approved as to form, consistency
with existing ordinances, the
Charter and Constitutional Provisions.

Department of Law
Scott A. Liberman
Municipal Attorney