

RESOLUTION NO. 42-11
CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER Paul Gheram ON THE 17th
DAY OF October, 2011.

A RESOLUTION OPPOSING ANY ACTION BY THE OHIO GOVERNOR OR GENERAL ASSEMBLY TO TAKE CONTROL OF LOCAL INCOME TAX COLLECTION AND/OR ADMINISTRATION AND TO CENTRALIZE SUCH CONTROL WITHIN A STATE AGENCY OR THIRD-PARTY ENTITY.

PREAMBLE AND PURPOSE

WHEREAS, the Ohio Governor and his staff are actively studying the feasibility, viability, and wisdom of consolidating and centralizing the collection of municipal income tax, purportedly as a way to streamline and simplify the rules, regulations, and processing of those collections for Ohio's businesses and residents; and

WHEREAS, any such consolidation and centralization would significantly reduce revenue to the City of Centerville, making it increasingly difficult for the City to pay for vital local public services including police, public works, and roadway maintenance, thus creating a less business-friendly environment; and

WHEREAS, any taking from local governments of the authority to collect and administer local income taxes is an assault on Home Rule Authority granted by Article XVIII of the Ohio Constitution; and

WHEREAS, the State of Ohio has a poor record of performance relating to its currently mandated centralized income tax collection on behalf of local school districts; and

WHEREAS, the State Tax Commissioner recently called "unconscionable and not good service to customers" the fact that the State has been ill-equipped and untimely in processing of tax-related affairs, accumulating a backlog of work in excess of five (5) years which has resulted in documented issues related to the tax exemption of properties and the timely funding of public infrastructure projects for the purpose of promoting economic development and creating jobs across Ohio; and

WHEREAS, the State of Ohio Department of Taxation has drastically reduced its ability to provide quality customer service evidenced by the closing of regional satellite offices across the state, and

WHEREAS, the State of Ohio's own "Business Gateway" system for filing state and local tax returns has been seriously flawed since its establishment, yet no substantive efforts have been advocated by the Governor or the General Assembly to focus on fixing that system before embarking on an expansion of state government control; and

WHEREAS, municipalities can provide the best service and personalized assistance to their taxpayers in all matters relating to local income taxes, and

WHEREAS, municipalities have been responsive in the past to efforts to streamline rules and regulations and work toward uniformity of the overwhelming majority of local tax codes, and

WHEREAS, municipalities like Centerville have a strong record of professionally and promptly auditing local tax returns, thus ensuring that all taxpayers pay their fair share without causing higher costs of compliance for all, and

WHEREAS, only municipalities can and will aggressively pursue non-compliant and delinquent taxpayers who, by their omission or deliberate deceit, drive up costs to honest taxpayers, and

WHEREAS, it is an undisputed fact that the greatest public accountability exists within the governmental agencies that are closest to the people,

NOW THEREFORE, the City of Centerville hereby resolves:

Section 1: That this Council does hereby declare its strong opposition to any effort by the State of Ohio to take over the collection and/or administration of municipal income taxes in Ohio.

Section 2: That this Council urges its state elected officials (Senator Peggy Lehner and Representative Terry Blair) to reject any legislation that would transfer collection and/or control of municipal income taxes to the State of Ohio Department of Taxation or any other state agency, or any third party central collection entity.

Section 3: That this Council believes that a takeover of municipal income tax by the State of Ohio or any third party central collection agency would lead to the direct taking of municipal income tax revenue, as suggested by the Ohio Commission on Local Government Reform and Collaboration in their August 27, 2010 report.

Section 4: That any action by the State of Ohio to take local income tax collection and/or administration away from cities and villages violates the stated

goal of the majority of state elected officials to reduce the size and scope of State government bureaucracies.

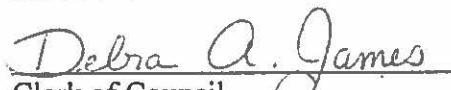
Section 5: That the State of Ohio Department of Taxation should restore previous funding levels to the Ohio Business Gateway and focus on correcting its self-acknowledged programmatic and customer service issues to make that toll less cumbersome, more useful and relevant to municipalities, businesses, and individuals as a simple, generic, one-stop method of filing state, local, and school income taxes.

Section 6: That the Governor and the General Assembly should engage in an open and constructive dialogue with local officials to gain consensus on correcting the perceived issues of potential revenue-neutral commonality and uniformity in those few remaining differences in municipal income tax provisions.

PASSED THIS 17th day of October, 2011.

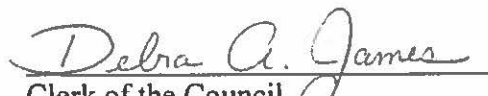

Mayor of the City of Centerville, Ohio

ATTEST:


Clerk of Council
City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Resolution No. 42-11, passed by the Council of the City of Centerville, Ohio on the 17th day of October, 2011.


Clerk of the Council

Approved as to form, consistency
with existing ordinances, the
charter & constitutional provisions
Department of Law
Scott A. Liberman
Municipal Attorney