

**PART ONE – ADMINISTRATIVE CODE**

**TITLE NINE – TAXATION**

**CHAPTER 191 – INCOME TAX**

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**CROSS REFERENCES**

- Power to Levy Income Tax -See Ohio Constitution Article XVIII Sec. 3**
- Payroll Deductions -See Ohio Revised Code Section 9.42**
- Municipal income taxes -See Ohio Revised Code Chapter 718 (Operative Until 1/1/2016) for State Statutory limitations on municipal income tax powers and procedures**

**Sec. 191.01 – Purpose.**

To provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of the City, there is hereby levied a tax on salaries, qualifying wages, commissions and other compensation and on net profits and other taxable income as hereinafter provided (General Fund 77.5%; Public Safety 12.5%; Capital Improvements 10.0%).

## Sec. 191.02 – Definitions.

As used in this Chapter, the following words shall have the meaning ascribed to them in this section, except if the context clearly indicates or requires a different meaning.

- (a) **“Adjusted federal taxable income”** means a C corporation’s federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:
- (1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income;
  - (2) Add an amount equal to five percent (5%) of intangible income deducted under division (a)(1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;
  - (3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
  - (4) (A) Except as provided in division (a)(4)(B) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code.  
  
(B) Division (a)(4)(A) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.
  - (5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;
  - (6) In the case of a real estate investment trust and regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

- (7) If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except:
- (A) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and
  - (B) Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.

Nothing in division (a) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

Nothing in this chapter shall be construed as limiting or removing the ability of any City to administer, audit, and enforce the provisions of its municipal income tax.

- (b) "**Association**" means a partnership, limited partnership or any other form of unincorporated enterprise, owned by two or more persons.
- (c) "**Board of Review**" means the Board created by and constituted as provided in Section 191.13.
- (d) "**Business**" means an enterprise, activity, profession, undertaking or other activity of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity including but not limited to the renting or leasing of property, real, personal or mixed.
- (e) "**Calendar year**" means an accounting period of twelve months or less ending on December 31.
- (f) "**City**" means the City of Hamilton, Ohio.
- (g) "**Commissioner of Taxation**" see definition of "Tax Administrator".
- (h) "**Corporation**" means a corporation or joint stock association organized under the laws of the United States, the State of Ohio, or any other state, territory, foreign country or dependency.

- (i) **“Day”** means any part of a twenty-four (24) hour period.
- (j) **“Domicile”** means a principal residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent he intends to return. A taxpayer has only one domicile even though he may have more than one residence.
- (k) **"Employee"** means one who works for wages, salary, commission or other type of compensation in the services of an employer.
- (l) **"Employer"** means an individual, partnership, association, corporation, governmental body, unit or agency, or any other entity, whether or not organized for profit, having a place of business or doing business within the City and who or that employs one or more persons on a salary, wage, commission or other compensation basis.
- (m) **"Fiscal year"** means an accounting period of twelve (12) months or less ending on any day other than December 31.
- (n) **“Form 2106”** means Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.
- (o) **“Generic form”** means an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability or for filing a refund claim that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation’s tax on income. The generic form, once completed and filed, must contain all of the information required to be submitted with the City’s prescribed returns, reports, or documents.
- (p) **"Gross receipts"** means the total income from any source whatsoever.
- (q) **“Income from a pass-through entity”** means partnership income of partners, membership interests of members of a limited liability company, distributive shares of shareholders of an S corporation, or other distributive or proportionate ownership shares of income from other pass-through entities.
- (r) **“Intangible income”** means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701, of the Ohio Revised Code, and patents, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and

appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

- (s) **"Internal Revenue Code"** means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended.
- (t) **"Internet"** means the international computer network of both federal and nonfederal interoperable packet switched data networks, including the graphical sub-network known as the World Wide Web.
- (u) **"Joint Economic Development District"** means a district created under Ohio Revised Code Sections 715.70 through 715.83, as amended from time to time.
- (v) **"Limited Liability Company"** means a limited liability company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.
- (w) **"Net profits"** for a taxpayer other than an individual means adjusted federal taxable income and "net profit" for a taxpayer who is an individual means the individual's profit, other than amounts described in Chapter 191.03, required to be reported on Schedule C, Schedule E or Schedule F.
- (x) **"Nonqualified deferred compensation plan"** means a compensation plan described in Section 3121(v)(2)(C) of the Internal Revenue Code.
- (y) **"Nonresident"** means an individual domiciled outside the City.
- (z) **"Nonresident incorporated business entity"** means an incorporated business entity not having an office or place of business within the City.
- (aa) **"Nonresident unincorporated business entity"** means an unincorporated business entity not having an office or place of business within the City.
- (bb) **"Other payer"** means any person that pays an individual any item included in the taxable income of the individual, other than the individual's employer or that employer's agent.
- (cc) **"Owner"** means a partner of a partnership, a member of a limited liability company, a shareholder of an S corporation, or other person with an ownership interest in a pass-through entity.

- (dd) **“Owner’s proportionate share,”** with respect to each owner of a pass-through entity, means the ration of (a) the owner’s income from the pass-through entity that is subject to taxation by the City, to (b) the total income from that entity of all owners whose income from the entity is subject to taxation by the City.
- (ee) **“Pass-through entity”** means a partnership, subchapter S corporation, limited liability company, or any other class of entity the income or profits from which are given pass-through treatment under the Internal Revenue Code.
- (ff) **“Person”** includes individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, governmental entities, fiduciaries, associations, or corporations, and any other entities. Whenever used in any section prescribing and imposing a penalty, the term "person" includes an officer or employee of a corporation, or a member or employee of an association, who, as such officer, employee or member, is under a duty to perform the act in respect of which the violation occurs.
- (gg) **“Place of business”** means any bona fide office (other than a mere statutory office), factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business activity individually or through one or more of his regular employees regularly in attendance.
- (hh) **“Principal place of business”** means in the case of an employer having headquarters activities at a place of business within a taxing municipality, the place of business at which the headquarters is situated. In the case of any employer not having its headquarters activities at a place of business within a taxing municipality, the term means the largest place of business located in a taxing municipality.
- (ii) **“Qualified Plan”** means a retirement plan satisfying the requirements under section 401 of the Internal Revenue Code as amended.
- (jj) **“Qualifying wages”** means wages, as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:
- (1) Deduct the following amounts:
    - (A) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code;

- (B) For purposes of division (B) of this section, any amount included in wages if the amount constitutes payment on account of sickness or accident disability.
- (2) Add the following amounts:
- (A) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;
  - (B) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax. Division (A)(2)(b)(ii) of this section applies only to those amounts constituting ordinary income;
  - (C) Any amount not included in wages if the amount is an amount described in section 401(k) or 457 of the Internal Revenue Code. Division (A)(2)(b)(iii) of this section applies only to employee contributions and employee deferrals;
  - (D) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.
- (3) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and has, by resolution or ordinance, been exempted from taxation by the municipal corporation.
- (4) Deduct any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance, exempted the amount from withholding and tax.

- (kk) **“Rental unit”** means any physical space, including but not limited to any office, factory, retail store, warehouse, storage facility, residential dwelling, or other space, which is situated in the City and which is rented or leased to any person.
- (ll) **"Resident"** means an individual domiciled in the City.
- (mm) **“Resident incorporated business entity”** means an incorporated business entity whose office, place or operations or business situs is within the City.
- (nn) **"Resident unincorporated business entity"** means an unincorporated business entity having an office or place of business within the City of Hamilton.
- (oo) **“Return Preparer”** means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other document for or on behalf of the taxpayer.
- (pp) **“Schedule C”** means Internal Revenue Service Schedule C filed by a taxpayer pursuant to the Internal Revenue Code.
- (qq) **“Schedule E”** means Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.
- (rr) **“Schedule F”** means Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code
- (ss) **“S corporation”** means a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.
- (tt) **"Tax Administrator"** means the person ( Commissioner of Taxation) in charge with direct responsibility for administration of an income tax levied by the City in accordance with this chapter, and also includes:
- (1) The City acting as the agent of another corporation;
  - (2) A person retained by the City to administer a tax levied by the City, but only if the City does not compensate the person in whole or in part on a contingency basis;
  - (3) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency.



- (uu) **“Taxable income”** means qualifying wages, paid by an employer or employers, compensation for personal services, other income defined by statute or by this Chapter as taxable, and/or adjusted federal taxable income from the operations of a business, profession, or other enterprise or activity adjusted in accordance with the provisions of this Chapter, and net profits as defined.
- (vv) **“Taxable year”** means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.
- (ww) **“Taxing municipality”** means a municipality levying a tax on income earned by nonresidents working within such municipality and on income earned by its residents.
- (xx) **“Taxpayer”** means a person, whether an individual, partnership, association or any corporation or other entity, required hereunder to file a return or pay a tax.

The singular shall include the plural, and the masculine shall include the feminine and the neuter, and all periods set forth shall be inclusive of the first and the last mentioned dates.

**Sec. 191.03 – Imposition of Tax.**

- (a) **Rate and Income Taxable.** An annual tax for the purpose specified in Section 191.01 shall be imposed on and after June 1, 1990, at the rate of two percent (2%) per annum upon the following:
  - (1) On all qualifying wages, commissions and other compensation earned or received by residents of the City;
  - (2) On all, qualifying wages, commissions and other compensation earned or received by nonresidents for work done, or services performed or rendered, in the City;
  - (3) A deduction against qualifying wages will be allowed for properly reported and documented Employee Business Expenses, included on Form 2106, but shall be limited to the amount actually deducted for federal income tax purposes. Any deduction against qualifying wages for income subject to tax by another taxing municipality will reduce any credit for tax withheld or paid accordingly.
  - (4) On all income derived, which require reporting on IRS Form W- 2G, Form 5754 and/or any other form required by the Internal Revenue Service, from prizes, awards, gaming, wagering, lotteries, gambling,

or schemes of chance by a resident, and on all income derived from prizes, awards, gaming, wagering, lotteries, gambling, or schemes of chance by a non-resident when such income is won or received from sources within the City.

- (5) On covenants not to compete to the extent includible on the taxpayer's federal return.
- (6) On guardian, executor, conservator, trustee, or administrator fees earned or received by a taxpayer.
- (7) On the portion attributable to the City of the net profits earned and accrued or received of all resident associations, unincorporated businesses, pass-through entities, professions or other entities, derived from sales made, work done, services performed or rendered, and business or other activities conducted in the City. On the portion of the distributive share of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity not attributable to the City and not levied against such unincorporated business entity or pass-through entity.
- (8) On the portion of the distributive share of the net profits earned and accrued or received of a resident partner or owner of a resident unincorporated business, pass-through entities, entity not attributable to the City upon which the tax was not paid by the entity. On the proportion of the distributive share of the net profits earned by a resident partner or owner of a resident unincorporated business entity or pass-through entity not attributable to the City and no levied against such unincorporated business entity or pass-through entity.
- (9) On the portion attributable to the City of the net profits earned and accrued or received of all nonresident associations, unincorporated businesses, pass-through entities, professions or other entities, derived from work done or services performed or rendered and business or other activities conducted in the City, whether or not such association or other unincorporated business entity has an office or place of business in the City. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to the City and not levied against such unincorporated business entity.
- (10) On the portion of the distributive share of the net profits earned and accrued or received during the effective period of this chapter of a resident partner or owner of a non-resident association or other

incorporated business entity, not attributable to the City, on which the tax was not paid by the entity.

- (11) On the portion attributable to the City of the net profits earned and accrued or received of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.
- (b) For the purpose of this section, the taxable base shall be determined in accordance with the Federal tax interpretations, when applicable, and with the accounting method used by the taxpayer for Federal income taxes, adjusted to the requirements of this chapter.
  - (c) Businesses both In and Outside the City Boundaries.
    - (1) The portion of the net profits attributable to the City of a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio Revised Code 718.02 and in accordance with the rules and regulations adopted by the Commissioner of Taxation pursuant to this chapter.
  - (d) Consolidated Returns.
    - (1) Filing of consolidated returns may be permitted or required in accordance with rules and regulations prescribed by the Commissioner of Taxation. The City shall accept for filing a consolidated income tax return from any affiliated group of corporations subject to the City's income tax if that affiliated group filed for the same tax reporting period a consolidated return for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code. A consolidated return must include all companies that are so affiliated.
    - (2) For allocation of income and deductions between related taxpayers in the case of a corporation that carries on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within the City constituting a portion only of its total business, the Commissioner of Taxation shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to the City. If the Commissioner of Taxation finds net profits are not properly allocated to the City by reason of transactions with stockholders or with other

corporations related by stock ownership, interlocking directorates, or transactions with such division, branch, factory, office, laboratory or activity or by some other methods, he shall make such allocation as he deems appropriate to produce a fair and proper allocation of net profits to the City.

- (e) Operating Loss Carry-Forward.
- (1) The portion of a net operating loss, based on income taxable under the Ordinance, sustained in the taxable year beginning after December 31, 2001, allocable to the City of Hamilton may be applied against the portion of succeeding years allocable to the City of Hamilton, until exhausted, but in no event for more than three (3) years immediately following the year in which the loss was sustained. No portion of a net operating loss shall be carried back against the net profits of any prior year.
  - (2) The portion of a net operating loss sustained shall be allocated to the City in the same manner as provided herein for allocating net profits to the City.
  - (3) The Commissioner of Taxation shall provide by rules and regulations the manner in which such net operating loss carry-forward shall be determined.
  - (4) Losses from federal schedules and other sources reported for federal income tax purposes cannot be used to offset qualifying wages, commissions, other compensation and other taxable income earned and received by residents or non-residents of the City, but may be carried forward as provided in subsection (d)(2). However, if a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another tax entity) may be used to offset the profits of another for purposes of arriving at overall net profits.
- (f) Exclusions. The provisions of this chapter shall not be construed as levying a tax upon the following:
- (1) Proceeds from welfare benefits, unemployment insurance benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service
  - (2) Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for

personal injury and like reimbursements, not including damages for loss of profits and wages.

- (3) Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
- (4) Gains from involuntary conversion, cancellation of indebtedness, interest on federal obligations and income of a decedent's estate during the period of administration (except such income from the operation of a business).
- (5) Alimony received.
- (6) Compensation for damage to property by way of insurance or otherwise.
- (7) Interest and dividends from intangible property.
- (8) Military pay and allowances received as a member of the armed forces of the United States and of members of their reserve components, including the Ohio National Guard.
- (9) Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Ohio Revised Code 718.01 to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.
- (10) Any association or organization falling in the category listed in the preceding paragraph receiving income from non-exempt real estate, tangible or intangible personal property, or business activities of a type ordinarily conducted for profit by taxpayers operating for profit shall not be excluded hereunder.
- (11) In the event any association or organization receives taxable income as provided in the preceding paragraph from real or personal property ownership or income producing business located both within and without the corporate limits of the City, it shall calculate its income allocable to the City under the method or methods provided above.
- (12) If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from City income tax.

- (13) The rental value of a home furnished to a minister of the gospel as part of his compensation, or the rental allowance paid to a minister of the gospel as part of his compensation to the extent used by him to rent or provide a home pursuant to section 107 of the Internal Revenue Code.
- (14) Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually. Such compensation in excess of one thousand dollars may be subjected to taxation. The payer of such compensation is not required to withhold Hamilton tax from that compensation.
- (15) Compensation paid to an employee of a transit authority, regional transit authority, or a regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through Hamilton, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such tax by reason of residence or domicile in Hamilton, or the headquarters of the authority or commission is located within Hamilton.
- (16) The City shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the City of Hamilton on twelve (12) or fewer days in a calendar year unless one of the following applies:
  - (A) The individual is an employee of another person, the principal place of business of the individual's employer is located in another city in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other city for tax on the compensation paid for such services.
  - (B) The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the City of Hamilton.
    - (i) For purposes of this Section, "day" means any part of a 24 hour calendar day where compensation is earned in the City.
    - (ii) Beginning with the thirteenth (13<sup>th</sup>) day, whether consecutive or non consecutive, the individual shall be

taxable on all income subject to the tax as outlined in this Section during the first twelve (12) days, whether consecutive or nonconsecutive.

(17) The income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code, except starting January 1, 2002, the income of an electric company or combined company, as defined in section 5727.01 of the Ohio Revised Code, may be taxed by the City subject to Chapter 5745 of the Ohio Revised Code:

(A) The income of an electric company or combined company;

(B) The income of a telephone company.

As used in division (e)(17) of this section, “combined company”, “electric company” and “telephone company” have the same meanings as in section 5727.01 of the Ohio Revised Code.

(18) An S corporation shareholder’s distributive share of net profits or losses of the S corporation.

(19) Generally the above noted items in this section are the only forms of income not subject to the tax. Any other income, benefits, or other forms of compensation shall be taxable.

#### **Sec. 191.04 – Effective Period.**

The City income tax shall be levied, collected and paid with respect to qualifying wages, commissions, other compensation and other taxable income earned or received and shall be levied with respect to the net profits of businesses, professions or other activities earned and accrued or received from and after June 1, 1990.

#### **Sec. 191.05 – Return and Payment of Tax.**

(a) (1) Effective for the 2003 tax year, and each year thereafter, every resident taxpayer, without exception and regardless of whether or not a tax is due, shall make and file a return, and beginning with filing of returns for the 2004 tax year, and each tax year thereafter, such return shall be filed on or before April fifteenth (15<sup>th</sup>) of each year. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed on or before the fifteenth day of the fourth month after the close of the fiscal year. For non-resident taxpayers, the Commissioner of Taxation is hereby authorized to provide by regulation that the return of an

employer or employers showing the amount of tax deducted by the employer or employers from qualifying wages, commissions, other compensation and other taxable income earned or received of a non-resident employee and paid by him or them to the Commissioner of Taxation, shall be accepted as the return required of any non-resident employee whose sole income, subject to tax under this chapter, is such qualifying wages, commissions, other compensation and other taxable income earned or received.

- (2) Effective until January 1, 2004, the Commissioner of Taxation is hereby authorized to provide by regulation that the return of an employer or employers showing the amount of tax deducted by the employer or employers from qualifying wages, commissions, other compensation and other taxable income earned or received of an employee and paid by him or them to the Commissioner of Taxation, shall be accepted as the return required of any employee whose sole income, subject to tax under this chapter, is such qualifying wages, commissions, other compensation and other taxable income earned or received. The provisions of this subparagraph (a)(2) shall be applicable to both resident and non-resident taxpayers.
- (b) The return shall be filed with the Commissioner of Taxation on a form or forms furnished by or obtainable upon request from such Commissioner of Taxation, or on a generic form, if the generic form, when completed and filed, contains all of the information required to be submitted with the City's prescribed return and, if the taxpayer or return preparer filing the generic form otherwise complies with this Chapter set forth:
- (1) The aggregate amounts of qualifying wages, commissions other compensation earned, received, allocated, apportioned or set aside, other income defined by statute as taxable, and/or gross income from any business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to the tax; and
  - (2) The amount of the tax imposed by this chapter on such earnings and profits; and
  - (3) Such other pertinent statements, information returns, copies of federal tax returns and/or schedules, or other information as the Commissioner of Taxation may require.
- (c) (1) Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a City income tax return by filing a copy of the taxpayer's federal extension request with the Tax Commissioner.



- (2) Any taxpayer not required to file for a federal income tax return may request an extension for filing a City income tax return in writing. The request for extension must be filed on or before the original due date for the annual return. .
- (3) If the request is granted, the extended due date of the City income tax return shall be the last day of the month following the month to which the due date of the federal income tax return has been extended..
- (4) The City may deny a taxpayer's request for extension if the taxpayer:
  - (A) Fails to timely file the request;
  - (B) Fails to file a copy of the federal extension request;
  - (C) Owes the City any delinquent income tax, penalty, interest, or other charge for the late payment or nonpayment of income tax;
  - (D) Has failed to file any required income tax return, report or other related document for a prior tax period.
- (d) The granting of an extension for filing a City income tax return does not extend the due date as provided in this section for payment of the tax; hence, penalty and interest may apply to any unpaid tax during the period of extension at the rate set out by Section 191.10. Any extension by the Commissioner of Taxation shall be granted upon the condition that declaration filing and payment requirements have been fulfilled; however if, upon further examination it then becomes evident that declaration filing and payment requirements have not been fulfilled, penalty and interest may be assessed in full and in the same manner as though no extension had been granted.
- (e) The taxpayer making a return shall, at the time of the filing thereof, pay to the Commissioner of Taxation the amount of taxes shown as due thereon. However, where any portion of the tax so due shall have been deducted at the source pursuant to the provisions of Section 191.06 or where any portion of the tax has been paid by the taxpayer pursuant to the provisions of Section 191.07, or where an income tax has been paid to another municipality, credit for the amount so paid in accordance with Section 191.14 shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing the return.

- (f) Subject to the limitations contained in Section 191.11, any taxpayer who has had overpaid the amount of tax to which the City is entitled under the provisions of this chapter may have such overpayment applied against any subsequent liability hereunder or at his election indicated on the return, such overpayment or part thereof shall be refunded provided no additional taxes or refunds of less than one dollar (\$1.00) shall be collected or refunded.
- (g) Amended returns.
  - (1) Where necessary, an amended return shall be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 191.11 and 191.14. Such amended return shall be on a form obtainable on request from the Commissioner of Taxation. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.
  - (2) Within three months from the final determination of any federal tax liability affecting the taxpayer's City tax liability, such taxpayer shall make and file an amended City return showing income subject to the City income tax based upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

**Sec. 191.06 – Collection at Source.**

- (a) (1) Withholding by Employer. Each employer within or doing business within the City who employs one or more persons on a salary, wage, commission, or other compensation basis shall deduct when such salary, wage commission or other compensation is paid, allocated, apportioned, or set aside, the tax at the rate provided in Section 191.03 hereof on the qualifying wages, due by such employer to each such employee and shall, on or before the fifteenth day of the month following such withholding, make a return and pay to the Commissioner of Taxation the amount of taxes so deducted; except in the case where the employer's weekly withholding tax exceed four thousand dollars (\$4,000), the taxes so deducted shall be due by the last day of the week following such withholding. The return shall be on a form or forms prescribed by or acceptable to the Commissioner or Taxation and shall be subject to the rules and regulations prescribed by the Commissioner. Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld. Nothing in this section prohibits an employer from withholding tax on a basis

greater than qualifying wages. The Commissioner of Taxation may require withholding payments to be made by electronic funds transfer or by any other electronic payment remittance method.

- (2) So long as the taxes withheld by such employer for the City during the measurement period are less than three hundred dollars (\$300.00) per month, payments may be made quarterly on or before the fifteenth last day of the month following the end of the quarter, subject to the approval of the Commissioner of Taxation. The Commissioner may revoke the approval of quarterly filing and payments whenever he has reason to believe that the conditions for granting such authorization have changed, were judged incorrectly, were not met or when it is in the best interest of the City to do so. Notice of the withdrawal shall be made in writing and, in such case; the employer shall begin to file in accordance with this section.
- (b) An employer is not required to make any withholding with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of the corporation with respect to whose stock the option has been issued.
- (c) Employer considered as Trustee. Such employer in collecting the tax shall be deemed to hold the same, until payment is made by such employer to the City, as a trustee for the benefit of the City and any such tax collected by such employer from his employees shall, until the tax is paid to the City, be deemed a trust fund in the hands of such employer.
- (d) The employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such tax has in fact been withheld.
- (1) Any person who is required to withhold tax from qualifying wages shall pay all such tax to the City in accordance with the provisions of this section. In the event tax withheld from the qualifying wages of employees are not paid to the City in accordance with the provisions of this section, all officers, members, managers, employees, and trustees having control or supervisor of or charged with the responsibility of filing the return and making payment are jointly and severally personally liable for the tax not returned or paid to the City as well as any related interest and penalties, and are also liable under the provisions of Section 191.12 hereof. The dissolution, termination, or bankruptcy of a corporation, limited liability company, or business trust does not discharge an officer's, member's manager's, employee's or trustee's liability for a failure of the corporation, limited liability company, or business trust to file returns or pay said taxes.

- (2) An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by the City or by the employer's exemption from the requirement to withhold the tax.
  - (3) The failure of an employer to remit to the City the tax withheld and shown as withheld on the employee's W-2 year end statement relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.
  - (4) No person shall be required to withhold the tax on the wages or other compensation paid domestic servants employed by him exclusively in or about such person's residence, though such residence is in the City, but such employee shall be subject to all of the requirements of this chapter.
- (e) Withholding Return; List of Employees. Each employer shall file a withholding tax reconciliation showing the sum total of all compensation paid all employees, the portion of which, (if any) was not subject to withholding along with an explanation for same, and the portion of which was subject to withholding, together with the amount of such withholdings remitted. Such return shall include information concerning each employee from whom the City tax was withheld, showing the name, address, zip code and social security number of each such employee, the total amount of compensation paid during the year and the amount of City tax withheld. If the total tax withheld from any employee included tax withheld and remitted to another municipality, the amount of same shall be separately shown on the return of information to the Municipality concerning each employee. The withholding tax reconciliation shall be filed by each employer on or before February 28 following the end of such calendar year. The Commissioner of Taxation may require the filing of such reconciliations and employee information by alternate media.
- (f) In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc. payments to individuals not treated as employees for services performed shall also report such payments to the City when the services were performed in the City. The information may be submitted on a listing, and shall include the name, address and social security number (or federal identification number), and the amount of the payments made. Federal form(s) 1099 may be submitted in lieu of such listing. If the 1099-Misc includes compensation not attributable to services performed in the City, a separate listing must also be included which indicates the portion attributable to services performed inside the City. The information shall be filed annually on or before February 28 following the end of such calendar year.

**Sec. 191.07 – Declarations.**

- (a) Every taxpayer who anticipates any taxable income which is not subject to Section 191.06 or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 191.03, shall file a declaration setting forth such estimated income or the estimated profit or loss from such business activity together with the estimated tax due thereon, if any. Provided, however, if a person's income is wholly from wages from which the tax will be withheld and remitted to this City in accordance with Sections 191.03, 191.06 and 191.14, such person need not file a declaration.
- (b) Such declaration shall be filed on or before April fifteenth 15th of each year during the life of this chapter, or within four (4th) months of the date the taxpayer becomes subject to tax for the first time.
- (c) Those taxpayers having a fiscal year or period differing from the calendar year shall file a declaration on or before the fifteenth (15th) day of the fourth (4th) month after the close of the fiscal year.
- (d) Such declaration shall be filed upon a form furnished by, or obtainable from the Commissioner of Taxation, or an acceptable generic form and credit shall be taken for the City tax to be withheld from any portion of such income. In accordance with the provisions of Section 191.14, credit may be taken for tax to be withheld and remitted to another taxing municipality.
- (e) The original declaration (or any subsequent amendment thereof may be increased or decreased on or before any subsequent quarterly payment date as provided for herein.
- (f) For taxpayers who are individuals, such declaration of estimated tax to be paid the Municipality shall be accompanied by a payment of at least twenty-two and one-half percent (22.5%) of the estimated annual tax on or before the last day of the fourth month of the taxable year, and at least a similar amount shall be paid on or before the last day of the seventh, tenth and thirteenth months after the beginning of the taxable year.
- (g) For taxpayers that are not individuals, such declaration of estimated tax to be paid the Municipality shall be accompanied by a payment of at least twenty-two and one-half percent (22.5%) of the estimated annual tax on or before the fifteenth (15th) day of the fourth month of the taxable year, and at least a similar amount shall be paid on or before the fifteenth (15th) day of the sixth, ninth and twelfth months after the beginning of the taxable year.
- (h) On or before the fifteenth day of the fourth month after the close of the fiscal year following that for which such declaration or amended declaration

was filed, an annual return shall be filed and any balance which may be due the City shall be paid therewith in accordance with the provisions of Section 191.05.

- (i) The mere submission of a declaration estimating a tax liability shall not constitute filing unless accompanied by the required payment.

**Sec. 191.08 – Duties of the Tax Commissioner.**

- (a) It shall be the duty of the Commissioner of Taxation to receive the tax imposed by this chapter in the manner prescribed herein from the taxpayers to keep an accurate record thereof, and to report all moneys so received.
- (b) It shall be the duty of the Commissioner of Taxation to enforce payment of all taxes owing the City, to keep accurate records for a minimum of seven (7) years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amounts of payments thereof.
- (c) The Commissioner of Taxation is hereby charged with the enforcement of the provisions of this chapter, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this chapter, including provisions for the re-examination and correction of returns.
- (d) In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Commissioner of Taxation may determine the amount of tax appearing to be due the City from the taxpayer and shall send to such taxpayer a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any.
- (e) Subject to the consent of a majority of the Board of Tax Review, the Commissioner of Taxation shall have the power to compromise any tax liability imposed by this Tax Code.
- (f) Upon the demonstration and documentation of good cause, the Commissioner of Taxation shall have the power to compromise penalty and interest liabilities imposed by this Chapter, consistent with this Chapter, subsequent Board of Review cases or subsequent Rules and Regulations.
- (g) The Commissioner of Taxation shall have the authority, when requested by the taxpayer and for good cause shown, to extend the time of making and filing any return whenever he deems it necessary to do so, but not to exceed a period of six (6) months, or one month beyond any extension

requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax Return

- (h) When an application for deferred payment of tax due is filed by a taxpayer, the Commissioner of Taxation may authorize partial payments of unpaid taxes when, in his judgment, the taxpayer is unable, due to hardship conditions, to pay the full amount of the tax when due, and when, in his judgment, such deferred payments are the best means of accomplishing the intent of this chapter.

**Sec. 191.09 – Investigation Powers of the Tax Commissioner; Confidential Information**

- (a) The Commissioner of Taxation or any authorized employee, is hereby authorized to examine the books, papers, records and federal income tax returns of any employer or of any taxpayer or person subject to the tax for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due under this chapter. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish upon written request by the Commissioner of Taxation, or his duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.
- (b) The Commissioner of Taxation is hereby authorized to order any person presumed to have knowledge of the facts to appear before him and may examine such person, under oath, concerning any income which was or should have been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and federal income tax returns and the attendance of all persons before him, whether as parties or witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.
- (c) The refusal to produce books, papers, records and federal income tax returns, or the refusal to submit to such examination by any employer or person subject or presumed to be subject to the tax or by any officer, agent or employee of a person subject to the tax or required to withhold tax or the failure of any person to comply with the provisions of this section or with an order or subpoena of the Commissioner of Taxation authorized hereby shall be deemed a violation of this section, punishable as provided in Section 191.99.
- (d) Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, and no person shall disclose such information except in accordance with

proper judicial order or in connection with the performance of that person's official duties or the official business of the City as authorized by this chapter. The Commissioner of Taxation of the City may furnish copies of returns filed under this chapter to the Internal Revenue Service, State Tax Commissioner and other Municipalities or Joint Economic Development Districts.

- (e) Every taxpayer shall retain all records necessary to compute his tax liability for a period of seven (7) years from the date his return is filed, or the taxes required to be withheld are paid.
- (f) The Commissioner of Taxation is hereby authorized to engage the services of one or more consultants, accountants, outside auditors, attorneys or debt collectors to assist him in carrying out the duties assigned to him under this chapter. Any such consultant, accountant, outside auditor, attorney or debt collector shall be bound by the provisions of this chapter as the same apply to the Commissioner of Taxation and authorized employees of the City, specifically the provisions of this section.

**Sec. 191.10 – Interest and Penalties.**

- (a) All taxes imposed and moneys withheld by employers under the provisions of this chapter and remaining unpaid after they have become due shall bear interest, in addition to the amount of the unpaid tax or withholdings, at the rate of one percent (1%) per month or fraction thereof.
- (b) In addition to the interest as provided in subsection (a) hereof, penalties based on the unpaid tax are hereby imposed as follows:
  - (1) For failure to pay taxes due, other than taxes withheld: one percent (1%) per month or fraction thereof.
  - (2) For failure to remit taxes withheld from employees: three percent (3%) per month or fraction thereof.
  - (3) Where the taxpayer has failed to file a declaration on which he has estimated and paid a tax equal to or greater than the tax paid for the previous year, or where he has filed a previous return and has failed to file a declaration on which he has estimated and paid a tax equal to or greater than ninety percent (90%) of the actual tax for the year, or has failed to file a return and paid the total tax on or before the end of the month following the end of the taxable year: ten percent (10%) of the difference between ninety percent (90%) of the actual tax for the year and the amount paid through withholding and declaration.



- (4) Except in the case of fraud, or omission of twenty five percent (25%) or more of income from reporting on any filing, the penalty shall not exceed fifty percent of the unpaid tax.
  - (5) Where the taxpayer has failed to file a return in accordance with Section 191.05: twenty-five dollars (\$25.00).
- (c) Interest, but no penalty, will be charged where an extension has been granted by the Commissioner of Taxation and the final tax paid within the period as extended.
- (d) Exceptions
- (1) A penalty shall not be assessed on an additional tax assessment made by the Commissioner of Taxation when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Commissioner of Taxation; and in the absence of fraud, penalty shall not be assessed on any additional tax assessment resulting from a federal audit, providing an amended return is filed and the additional tax and interest is paid within three months after final determination of the federal tax liability.
  - (2) No penalty or interest shall be charged against a taxpayer for the late payment or nonpayment of estimated tax liability if the taxpayer is an individual who resides in the City but was not domiciled there on the first day of January of the tax year being filed.
  - (3) Upon recommendation of the Commissioner of Taxation, the Board of Review may abate penalty or interest, or both, or upon an appeal from the refusal of the Commission of Taxation to recommend abatement of penalty and interest concerning an item of income or expense, the Board may nevertheless abate penalty or interest, or both.

**Sec. 191.11 – Collection of Unpaid Taxes and Refunds of Overpayments.**

- (a) All taxes imposed by this chapter shall be collectible together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. However, in those cases in which the Commissioner of Internal Revenue and the taxpayer have executed a waiver of the federal statute of limitations, the period within which an additional assessment may be made by the Commissioner of Taxation shall be extended one (1) year from the time of the final determination of the federal tax liability. The City may employ the services of an outside agency for the purposes of making such collections.

- (b) Taxes erroneously paid shall not be refunded unless a claim for refund is made within the time prescribed in Ohio Revised Code 718.12.
- (c) Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment, except that if any overpayment is refunded within ninety (90) days after the final filing date of the annual return or ninety (90) days after the complete return is filed, whichever is later. For purposes of computing the payment of interest on overpayments, no amount of tax for any taxable year shall be treated as having been paid before the date on which the tax return for that year was due, without regard to any extension of time for filing that return. The interest shall be paid at the rate of interest prescribed by Ohio Revised Code 5703.47.
- (d) Amounts of less than one dollar (\$1.00) shall not be collected or refunded.

**Sec. 191.12 – Violations.**

- (a) The following shall be considered violations of this chapter. Any person who shall:
  - (1) Fail, neglect or refuse to make any return or declaration required by this chapter; or
  - (2) Knowingly make any incomplete, false or fraudulent return; or
  - (3) Willfully fail, neglect or refuse to pay the tax, penalties or interest imposed by this chapter; or
  - (4) Cause to not be remitted the city income tax withheld from qualifying wages of employees to the City as required by Section 191.06; or
  - (5) Neglect or refuse to withhold or remit the city income tax withheld from employees; or
  - (6) Refuse to permit the Commissioner of Taxation or any duly authorized agent or employee to examine his books, records, papers and federal income tax returns relating to the income or net profits of a taxpayer; or
  - (7) Fail to appear before the Commissioner of Taxation and to produce his books, records, papers or federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Commissioner of Taxation; or

- (8) Refuse to disclose to the Commissioner of Taxation any information with respect to such person's income or net profits or in the case of a person responsible for maintaining information relating to his employers' income or net profits, such person's employer's income or net profits; or
  - (9) Fail to comply with the provisions of this chapter or any order or subpoena of the Commissioner of Taxation; or
  - (10) Willfully give to an employer or prospective employer false information as to his true name, correct social security number and residence address, or willfully fail to promptly notify an employer or a prospective employer of any change in residence address and date thereof, to avoid imposition or collection of city income tax; or
  - (11) Fail as an employer, agent of the employer, or other payer, to maintain proper records of employees' residence addresses, total qualifying wages paid and City tax withheld, or to knowingly give the Commissioner of Taxation false information: or
  - (12) Willfully fail, neglect, or refuse to make any payment of estimated municipal income tax for any taxable year or any part of any taxable year in accordance with this chapter; or
  - (13) Attempt to do anything whatsoever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter.
  - (14) Failure, as president and/or treasurer of a corporation, to cause the tax withheld from wages of the employees of such corporation pursuant to this chapter to be paid to the City in accordance with the provisions of Section 191.06 hereof.
- (b) All prosecutions under this section must be commenced within the time specified in Ohio Revised Code 718.12.
  - (c) The failure of any employer or taxpayer or person to receive or procure a return, declaration or other required form shall not excuse him from making any information return, return or declaration, from filing such form or from paying the tax.

**Sec. 191.13 – Board of Review.**

- (a) (1) The legislative authority of the City shall maintain a Local Board of Tax Review to hear appeals as provided in Ohio Revised Code Chapter 718.11.

- (2) The Local Board of Tax Review shall consist of three members. Two members shall be appointed by the legislative authority of the City, and may not be employees, elected officials, or contractors with the City at any time during their term or in the five years immediately preceding the date of appointment. One member shall be appointed by the top administrative official of the City. This member may be an employee of the City, but may not be the director of finance or equivalent officer, or the Tax Administrator or other similar official or an employee directly involved in municipal tax matters, or any direct subordinate thereof.
- (3) The term for members of the Local Board of Tax Review appointed by the legislative authority of the City shall be two years. There is no limit on the number of terms that a member may serve should the member be reappointed by the legislative authority. The board member appointed by the top administrative official of the City shall serve at the discretion of the administrative official.
- (4) Members of the board of tax review appointed by the legislative authority shall serve at the discretion of the legislative authority.
- (5) A member of the board who, for any reason, ceases to meet the qualifications for the position prescribed by this section shall resign immediately by operation of law.
- (6) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within sixty days of when the vacancy was created. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board.
- (7) If a member is temporarily unable to serve on the board due to a conflict of interest, illness, absence, or similar reason, the legislative authority or top administrative official that appointed the member shall appoint another individual to temporarily serve on the board in the member's place. This appointment shall be subject to the same requirements and limitations as are applicable to the appointment of the member temporarily unable to serve.
- (8) No member of the Local Board of Tax Review shall receive compensation, fee, or reimbursement of expenses for service on the board.
- (9) A member of a Local Board of Tax Review shall not be appointed to or serve on another such board simultaneously.

- (b) Whenever a Tax Administrator issues an assessment, the Tax Administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the assessment, the manner in which the taxpayer may appeal the assessment, and the address to which the appeal should be directed, and to whom the appeal should be directed.
- (c) Any person who has been issued an assessment may appeal the assessment to the board by filing a request with the board. The request shall be in writing, shall specify the reason or reasons why the assessment should be deemed incorrect or unlawful, and shall be filed within thirty days after the taxpayer receives the assessment.
- (d) The Local Board of Tax Review shall schedule a hearing to be held within forty-five days after receiving an appeal of an assessment under division (c) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board and/or may be represented by an attorney at law, certified public accountant, or other representative. The board may allow a hearing to be continued as jointly agreed to by the parties. In such a case, the hearing must be completed within one hundred twenty days after the first day of the hearing unless the parties agree otherwise.
- (e) The board may affirm, reverse, or modify the Tax Administrator's assessment or any part of that assessment. The board shall issue a final determination on the appeal within ninety days after the board's final hearing on the appeal, and send a copy of its final determination by ordinary mail to all of the parties to the appeal within fifteen days after issuing the final determination. The taxpayer or the Tax Administrator may appeal the board's final determination as provided in section 5717.011 of the Ohio Revised Code.
- (f) The Local Board of Tax Review created pursuant to this section shall adopt rules governing its procedures, including a schedule of related costs, and shall keep a record of its transactions. The rules governing the Local Board of Tax Review procedures shall be in writing, and may be amended as needed by the Local Board of Tax Review. Such records are not public records available for inspection under section 149.43 of the Ohio Revised Code. For this reason, any documentation, copies of returns or reports, final determinations, or working papers for each case must be maintained in a secure location under the control of the Tax Administrator. No member of the Local Board of Tax Review may remove such documentation, copies of returns or reports, final determinations, or working papers from the hearing. Hearings requested by a taxpayer before a Local Board of Tax Review created pursuant to this section are not meetings of a public body subject to section 121.22 of the Ohio Revised Code. For this reason, such hearings shall not be open to the public, and only those parties to the case may be present during the hearing.

- (g) (1) Pursuant to Section 718.30 of the Revised Code, the legislative authority of the City has the authority, by Ordinance or Resolution, to adopt rules to administer the income tax imposed by the City. All rules and regulations and amendments or changes thereto which are adopted by the Tax Administrator under the authority conferred by this chapter must be approved by the Board of Review before the same become effective.
- (2) After such approval all rules adopted under this section shall be filed with the Clerk of Council, shall be open to public inspection, and posted on the internet.

**Sec. 191.14 – Credit for Tax Paid to another Municipality or Joint Economic Development District.**

- (a) Where a resident of the City is subject to a municipal income tax in another municipality, he shall not pay a total municipal income tax on the other income greater than the tax imposed at the higher rate.
- (b) Every individual taxpayer who resides in the City who receives net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside of the City, if it appears that he has paid a municipal income tax on the same income taxable under this chapter to another municipality, shall be allowed a credit against the tax imposed by this chapter of the amount so paid by him or in his behalf to such other municipality. The credit shall not exceed the tax assessed by this chapter on such income earned in such other municipality or municipalities where such tax is paid.
- (c) The City shall grant a credit against the tax imposed by this chapter to every taxpayer who works in a joint economic development zone created under section 715.691 or a joint economic development district created under section 715.70, 715.71, or 715.72 of the Ohio Revised Code. The credit shall not exceed the tax assessed by this chapter on such income earned in such joint economic development zone or joint economic development district where such tax is paid.
- (d) Effective with the 2004 tax year, except as provided in division (e) of this section, if tax or withholding is paid to the City on income or wages, and if a second municipal corporation imposes a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the City, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages, equal to the tax or withholding paid to the City with respect to such income or wages.

- (e) If the tax rate in the second municipal corporation is less than the tax rate in the City, then the credit described in division (d) of this section shall be calculated using the tax rate in effect in the second municipal corporation.
- (f) Nothing in this section permits any credit carry forward.
- (g) A claim for refund or credit under this section shall be made in such manner as the Commissioner of Taxation may by regulation provide.

**Sec. 191.15 – Requirements for Joint Economic Development Districts.**

Specific provisions of this chapter may be modified as they apply to Joint Economic Development Districts if the modifications are passed by Council in an ordinance which either specifically approves a Joint Economic Development District contract or specifically amends this chapter.

**Sec. 191.99 – Penalty.**

- (a) Any person who violates any provision of Section 191.12 shall be fined not more than five hundred dollars (\$500.00) or imprisoned not more than six (6) months or both, for each offense.
- (b) Any person divulging information in violation of Section 191.09 shall be fined not more than five hundred dollars (\$500.00) or imprisoned for not more than six (6) months, or both. Each disclosure shall constitute a separate offense.

In addition, any employee of the City who violates Section 191.09 relative to the disclosure of confidential information shall be guilty of an offense punishable by immediate dismissal.