



Introduced: 03/06/2017
Revised:
Adopted:
Effective:

**CITY OF PATASKALA
RESOLUTION 2017-022**

A RESOLUTION STRONGLY OPPOSING PROVISIONS OF 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 for the City of Pataskala 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 Pataskala 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 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 Pataskala 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.

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 a loss of revenue to the city; 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 hinder 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.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PATASKALA, COUNTY OF LICKING, STATE OF OHIO THAT:

Section 1: The Ohio General Assembly ("the Ohio legislature") should request the immediate removal of all language pertaining to municipal income tax collection and administration from the proposed 2018-2019 state budget.

Section 2: The Ohio legislature should promote pending changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a simple and more efficient manner, with: (1) the Ohio Business Gateway continuing to act solely as a portal for the remittance of tax payments; and (2) tax returns and other tax-related information to be filed directly with the municipalities for processing, and not to the Ohio Department of Taxation.

Section 3: It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of Council and that all deliberations of the Council and any of the decision making bodies of the City of Pataskala which resulted in such formal actions were in meetings open to the public in compliance with all legal requirements of the State of Ohio.

Section 4: This Resolution shall become effective from and after the earliest period allowed by the Charter of the City of Pataskala.

ATTEST:

Kathy M. Hoskinson, Clerk of Council

Michael W. Compton, Mayor

Approved as to form:

Brian M. Zets, Law Director