

The items below comprise a significant business friendly step forward to make more uniformity in municipal income taxes. The items below also accomplish revenue neutrality for local government.

1. DUE DATES
Make all municipal return filings consistent with federal due dates.
2. EMPLOYER WITHHOLDING
Withholding frequencies and thresholds will be made uniform, same as HB 5.
3. ONE COMMON FORM
All municipalities will accept a common income tax form for filing annual return both for individuals and businesses.
4. PASS THROUGH ENTITIES AND S CORPORATION DISTRIBUTIVE SHARES
Requires the pass-through entities and S Corporations to report and file tax at the entity level on behalf of partners, owners and other members. The partners, owners and other members would be required to report pass through activity on their residency return, and credit would be permitted, subject to each municipality's credit limitations.
5. UNREIMBURSED BUSINESS EXPENSES
Unreimbursed employee expenses will not be permitted as a deduction on the municipal income tax return. Same as HB 5.
6. EXTENSION REQUESTS
Filing a federal extension will serve as automatic extension to the local return. A copy must be attached when filing the local return. The Tax Administrator will have the ability upon the return of the extended return to deny such an extension should a delinquency exist on the taxpayer account.
7. 12-DAY RULE
Will remain a 12-day rule, however language shall be extended to include the definition of a "day" as the location at which the "preponderance" of the employees day, when working in multiple jurisdictions.
8. QUALIFYING WAGES
Third party sick pay, included in qualified wages, is taxable and subject to withholding.
9. NET OPERATING LOSS CARRY FORWARD
A municipal corporation may allow a Net Operating Loss Carry Forward for a period of zero, one, three, or five years.
10. MINIMUM TAX LIABILITY/REFUND
If the taxpayer has a final liability or overpayment/refund of \$5.00 or less, the amount will not be collected or refunded/carried forward. A tax return will still be required to be filed.
11. LOTTERY/ GAMBLING/ GAMES OF CHANCE
All municipalities would tax lottery, gambling, games of chance by the jurisdiction in which the player purchased/won. Winner would also be required to report winnings on municipal return and pay any applicable taxes to the resident City.

12. MINIMUM AGE FOR EARNED WAGES

No age limits for qualifying wages earned.

13. DOMICILE

Domicile for purposes of municipal income tax will be defined, using IRS standards of “intent to return” with clarification.

14. BOARD OF TAX APPEALS

A three member panel comprised of citizen-appointees who are domiciled within the municipality, and may not be employees of the municipal jurisdiction.

15. WEBSITE INFORMATION REQUIREMENTS

The municipality shall post on their website (or the State’s site if the municipality does not maintain a website) the section of the ORC 718 which explains a taxpayers right to appeal a decision of the Tax Administrator. Also posted will be the Ordinance, Rules and Regulations, and tax forms for the municipality. The site shall state that a generic format will be accepted for the filing of any return with the municipality.

16. RENTAL PROPERTY REPORTED BY INDIVIDUALS

Reporting will be based on property location; common expenses will be allocated to the property where it is located and based on gross receipts allocated to multiple jurisdictions.

17. REPORTING BY REALTORS

Realtors shall be taxed based on location of property sold.

18. RECONCILIATION OF RETURNS

Employers who withhold local income tax for employees will submit/file the annual Reconciliation of Returns and employee W-2 forms for the previous calendar year on or before February 28th of each year.

19. ALTERNATIVE ASSESSMENT PROCEDURE

Permits a third party administrator the ability to file legal action at the local municipal court and to establish an alternative procedure for pursuing a delinquency, based on the State Tax Commissioner’s collection and assessment process.

20. INNOCENT SPOUSE RELIEF

Permits the separation of a joint return filing, similar to the federal IRS requirements, in the case of death or divorce.

21. STATUTE OF LIMITATIONS

Language will be drafted to permit the freezing or tolling of the statute of limitations for pursuing the collection of an outstanding balance due or for the filing of a return through the duration of an appeals or legal or judicial process.