



Legislation Details (With Text)

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Title: A resolution strongly opposing the 2017-2018 biennial state budget which has been submitted by the Governor of the State of Ohio - House Bill 49, as introduced, is proposing centralized collection of net profit tax returns and other provisions related to the municipal income tax - this proposal, as introduced, will cause a loss in revenue needed to support the health, safety, welfare and economic development efforts of Ohio municipalities, and to declare an emergency.

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| 4/5/2017 | 1 | CITY CLERK | Attest | |
| 4/5/2017 | 1 | ACTING MAYOR | Signed | |
| 4/3/2017 | 1 | COUNCIL PRESIDENT | Signed | |
| 4/3/2017 | 1 | Columbus City Council | Adopted | Pass |

This is a resolution strongly opposing a portion of the 2017-2018 Budget, House Bill H.B. 49 as introduced, which has been submitted by the Governor of the State of Ohio. The budget as introduced proposes centralized collection of net profit tax returns and other provisions related to the municipal income tax. The budget as introduced will cause a loss in revenue needed to support the health, safety, welfare and economic development efforts of Ohio Municipalities. This resolution is also being submitted as an emergency.

A resolution strongly opposing the 2017-2018 biennial state budget which has been submitted by the Governor of the State of Ohio - House Bill 49, as introduced, is proposing centralized collection of net profit tax returns and other provisions related to the municipal income tax - this proposal, as introduced, will cause a loss in revenue needed to support the health, safety, welfare and economic development efforts of Ohio municipalities, and to declare an emergency.

WHEREAS, the Mayor and Council 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 Business Net Profit Income Tax; and

WHEREAS, the proposal for a state takeover of the administration and collection of the municipal business net profit income taxes of municipal corporations such as Columbus 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 with warehouses, distribution centers, and any business providing online sales; and

WHEREAS, Columbus 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; and

WHEREAS, Columbus' share of local government funds has declined from \$40.7 million in 2010 to \$20.1 million in 2016; the elimination of the estate tax has deprived Columbus of nearly \$10 million annually and the elimination of personal property tax deprived Columbus of a revenue source that once provided the City with more than \$5 million annually; and

WHEREAS, municipalities can and will provide the personal service and assistance to their 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 hamper municipalities' ability to audit and correct municipal income tax business returns, to equitably enforce the municipal income tax laws; 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; and

WHEREAS, it is necessary for this resolution to be passed as an emergency measure and made effective immediately for the preservation of the public peace, property, health and safety; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. The Ohio General Assembly should immediately remove all language pertaining to municipal income tax collection and administration, and should promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more simple and efficient manner, with the Ohio Business Gateway continuing to act only as an optional portal to remit payments and filing information directly to municipalities, and not to the Ohio Department of Taxation for processing.

Section 2. This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and for the further reason that the City must maintain revenue levels without threat of assault via legislation proposed by the Governor or the Ohio General Assembly; therefore, this Resolution shall be in full force and effect immediately upon its adoption by Council.