

VILLAGE OF CAIRO MUNICIPAL INCOME TAX ORDINANCE #234

PURPOSE

Purpose of Levy

(a) To provide funds for the purposes of general municipal operations, procurement of fixed assets or permanent improvements, payment of debt charges, the elimination of deficits in City funds and for all other lawful purposes, there shall be, and is hereby levied a tax on qualifying wages as defined in this Chapter, on net profits, and on all other taxable income, as hereinafter provided.

DEFINITIONS

Definitions Generally

For the purposes of this chapter the terms, phrases, words and their derivative shall have the meanings given in the next succeeding sections. The singular shall include the plural, and the masculine shall include the feminine and the neuter.

Adjusted Federal Taxable Income

"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 set forth in Sections 718.01(A)(1) of the Revised Code.

Administrative Rulings

"Administrative Rulings" mean the rulings issued by the Tax Administrator, upon the request of a taxpayer or employer, interpreting this chapter and the Rules and Regulations. Administrative Rulings shall be binding and effective upon issuance as to the taxpayer or employer requesting the ruling.

Administrator

"Administrator" means the person designated to administer and enforce the provisions of the City Income Tax Ordinance, who also may be referred to in this Chapter as the "Tax Administrator."

Association

"Association" means any partnership, limited partnership, limited liability company, limited liability partnership, Subchapter S corporation ("S corporation") as defined in the Internal Revenue Code, or any other form of unincorporated business or enterprise taxed on a pass-through basis under the Internal Revenue Code. The terms "association," "pass-through entity," and "unincorporated business entity" are synonymous for purposes of this Chapter and the Rules and Regulations.

Board of Review

“Board of Review” means the Board created by and constituted as provided in Section [Board of Review Established].

Board of Tax Appeals

“Board of Tax Appeals” means the state board created pursuant to Section 5703.02 of the Revised Code.

Business

“Business” means any enterprise, activity, profession or undertaking 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. For purposes of determining if “business is conducted within the city,” any direct and/or indirect ownership of an interest in an association, pass-through entity or unincorporated business entity that conducts business within the City is considered included.

City

“City” means the Village of Cairo, Ohio.

Corporation

“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 or foreign country or dependency, or any unincorporated entity treated as a corporation for federal income tax purposes. “Corporation” also includes a combined company, an electric company and a telephone company, as defined in Section 5727.01 of the Revised Code.

Employee

“Employee” means one who works for qualifying wages in the service of an employer.

Employer

“Employer” means an individual, partnership, association corporation governmental body, unit or agency, or any other entity, whether or not organized for profit, who or that employs one or more persons on a qualifying wage basis.

Fiscal Year

“Fiscal year” means an accounting period of twelve months or less ending on any day other than December 31.

Gross Receipts

“Gross receipts” means total revenue from any source whatever.

Intangible Income

"Intangible income" means that income specified in Section 718.01(A)(5) of the Revised Code including any of the following types of income: 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, copyrights, trademarks, trade names, 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, attributable to or derived from any lottery winnings or other similar games of chance.

Internal Revenue Code

"Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended.

Net Profits

"Net profits" mean (i) if the taxpayer is a corporation, the corporation's "adjusted federal taxable income" as that term is defined in Sections 718.01(A)(1)(a)-(f) of the Revised Code; (ii) if the taxpayer is an "association," "pass-through entity," or "unincorporated business entity," "adjusted federal taxable income" as that term is defined in Section 718.01(A)(1)(g) of the Revised Code; and (iii) if the taxpayer is an individual, the individual's profit, other than amounts specifically excluded in Section 718.01(F) of the Revised Code, required to be reported on federal Schedule C, Schedule E, or Schedule F, as provided by the Internal Revenue Service.

The "net profits" of a taxpayer shall be adjusted in accordance with the provisions of this Chapter and the Rules and Regulations.

Nonresident

"Nonresident" means an individual domiciled outside the Village of Cairo, Ohio.

Nonresident Owner

"Nonresident owner" means an individual domiciled outside the City who has a direct or indirect ownership interest in an association, pass-through entity or unincorporated business entity that conducts business in the city or a corporation that has a direct or indirect ownership interest in an association, pass-through entity or unincorporated business entity that conducts business in the City.

Nonresident Unincorporated Business Entity

"Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the City.

Ohio Revised Code

"Ohio Revised Code" means the codified statutes of the State of Ohio, as amended.

Other Payer

"Other payer" means any person, other than an individual's employer or the employer's agent that pays an individual any amount included in the federal gross income of the individual.

Owner

"Owner" means an individual, partner, member, or any other person having an ownership interest in an association, pass-through entity, or unincorporated business entity.

Pass-Through Entity

"Pass-through entity" means a partnership, limited liability company, S corporation or any other type of entity the income or profits of which are given pass-through treatment under the Internal Revenue Code. "Income from a pass-through entity" includes 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.

Person

"Person" means individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity.

With respect to provisions of this chapter that impose or prescribe a penalty, the term "person" shall mean the owners of an association, pass-through entity and unincorporated business entity and the officers of a corporation.

Place of Business

"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.

Qualifying Wages

"Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as provided in division (A)(2) of Section 718.03 of the Revised Code. "Qualifying wages" includes compensation attributable to a nonqualified deferred compensation plan or program as defined in section 3121(v)(2)(C) of the Internal Revenue Code and compensation arising 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 by the stock option. "Qualifying wages" does not include compensation deferred before January 1, 2004, to the extent that the deferred compensation does not constitute "qualifying wages" when paid or distributed.

Resident

“Resident” means an individual domiciled in the City.

Resident Owner

“Resident owner” means an individual domiciled in the City who has an interest in an association, pass-through entity or unincorporated business entity.

Resident Unincorporated Business Entity

“Nonresident unincorporated business entity” means an unincorporated business entity not having an office or place of business within the City.

Rules and Regulations

“Rules and Regulations” mean the Rules and Regulations promulgated by the Tax Administrator and approved by the Board of Review.

S Corporation

“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.

State

“State” means the State of Ohio.

Tax Commissioner

“Tax Commissioner” means the Tax Commissioner of the State of Ohio.

Taxable Income

“Taxable income” means all qualifying wages, net profits and all other income from whatever source derived set forth in Section [Rate and Taxable Income], and the Rules and Regulations as taxable.

Taxable Situs

“Taxable Situs” means that portion of a taxpayer’s net profits attributable to the City where the taxpayer conducts a business or profession both within and without the City, determined in accordance with Section 718.02 of the Ohio Revised Code.

Taxable Year

“Taxable year” means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

Taxpayer

“Taxpayer” means a person subject to the tax imposed by this chapter, whether the tax is imposed on the taxable income of the entity in the hands of the entity or on

the taxable income from the entity in the hands of the owners of the entity. "Taxpayer" does not include any person that is a disregarded entity or a qualifying subchapter S subsidiary for federal income tax purposes, but "taxpayer" includes any other person who owns the disregarded entity or qualifying subchapter S subsidiary.

Unincorporated Business Entity

"Unincorporated Business Entity" means either an "association," "pass-through entity" or "corporation," determined by the treatment afforded such entity for federal income tax purposes.

IMPOSITION OF INCOME TAX

Rate and Taxable Income

For the purposes specified in Section [Purpose of Levy], on and after [Effective Date of Levy], an annual tax of one percent (1%) per annum shall be imposed upon the hereinafter specified income. Such tax shall be imposed upon all taxable income as follows:

- (a) On all qualifying wages, net profits and other taxable income earned and/or received on and after April 1, 2006 by residents of the City;
- (b)
 - (1) On all qualifying wages, earned and/or received on and after April 1, 2006, by nonresidents of the City for work done or services performed or rendered within the City or attributable to the City; on all net profits earned and/or received by a nonresident from the operation or conduct of any business or profession within the City; and on all other taxable income earned and/or received by a nonresident derived from or attributable to sources, events or transactions within the City;
 - (2) For nonresidents employed at a place of business or profession within the City, only those qualifying wages earned and/or received by such nonresident that are specifically attributable to a place or location worked that is outside the City will be treated as earned outside the City;
- (c)
 - (1) On the portion attributable to the City of the net profits earned and/or received on and after April 1, 2006, of all resident associations, pass-through entities or other unincorporated business entities treated as a pass-through entity for federal income tax purposes or professions or other activities, derived from sales made, work done, services performed or rendered, and business, or other activities conducted in the City and/or derived from sales made, work done, services performed or rendered and business or other activities attributable to the City;
 - (2) On the portion of the distributive share of the net profits earned and/or received on and after April 1, 2006, of a resident partner or owner of a resident association, pass-through entity or other unincorporated business entity treated as a pass-through entity for federal income tax purposes not attributable to the City and upon which the City's income tax has not been imposed and levied;

(d) (1) On the portion attributable to the City of the net profits earned and/or received on and after April 1, 2006, of all nonresident associations, pass-through entities or other unincorporated business entities treated as a pass-through entity for federal income tax purposes, professions or other activities, derived from sales made, work done, services performed or rendered, and business, or other activities conducted in the City and/or derived from sales made, work done, services performed or rendered and business or other activities attributable to the City, whether or not such association, pass-through entity or other unincorporated business entity treated as a pass-through entity for federal income tax purposes has an office or place of business in the City;

(2) On the portion of the distributive share of the net profits earned and/or received on and after April 1, 2006, of a resident partner or owner of a nonresident association, pass-through entity or other unincorporated business entity treated as a pass-through entity for federal income tax purposes not attributable to the City and upon which the City's income tax has not been imposed and levied from wherever such business is located;

(e) On the portion attributable to the City of the net profits earned and/or received on and after April 1, 2006, of all corporations and all other entities and business activities not defined herein as associations, pass-through entity or unincorporated business entity treated as a pass-through entity for federal income tax purposes derived from sales made, work done, services performed or rendered, and business, or other activities conducted in the City, and/or derived from sales made, work done, services performed or rendered, and business, or other activities attributable to the City, whether or not such corporations, entities or business activities have an office or place of business in the City;

(f) On the net profits of an electric company, combined company or telephone company apportioned and attributable to the City in accordance with Section 718.01(F)(6) of the Revised Code and Chapter 5745 of the Revised Code;

(g) On all income derived from prizes, awards, gaming, wagering, lotteries or other similar games of chance by a resident from whatever source and from anywhere derived;

(h) On all income earned and/or received from covenants not to compete or similar agreements and on all income attributable to cancellation of indebtedness to the extent reported on the taxpayer's federal income tax return;

(i) On all guardian, executor, conservator, trustee or administrator fees earned and/or received by a taxpayer in connection with the operation or conduct of a business or profession;

(j) On all other compensation, net profits and income earned and/or received by the taxpayer that is not specifically exempted from the tax imposed by this chapter as set forth in Section [Sources of Income Not Taxed] and Section 718.01(F) of the Revised Code;

(k) (1) For taxable years beginning on or after January 1, 2004, the net profits from a business or profession shall be taxed only to the extent of the taxpayer's adjusted federal taxable income except that nothing shall be construed as limiting the ability of the Tax Administrator to administer, audit, or enforce the provisions of this Chapter including making all necessary adjustments and allocations to adjusted federal taxable income to produce a fair and proper allocation of net profits to the City;

(2) Division (k)(1) of this section shall not apply to any taxpayer required to file a return under Section 5745.03 of the Revised Code or to the net profits from a sole proprietorship;

(l) For taxable years beginning on or after January 1, 2004, in the case of a taxpayer who has a net profit from a business or profession that is operated as a sole proprietorship, or in the case of a taxpayer who has a net profit from a business and the taxpayer is an individual, the City shall not tax or use as the base for determining the amount of the net profit that shall be considered as having a taxable situs in the City, an amount other than the net profit required to be reported on Internal Revenue Service Schedules C or F from such sole proprietorship for the taxable year; and

(m) For taxable years beginning on or after January 1, 2004, in the case of a taxpayer who has a net profit from rental activity required to be reported on Internal Revenue Service Schedule E, the City shall not tax or use as the base for determining the amount of the net profit that shall be considered as having a taxable situs in the City, an amount other than the net profit from rental activities required to be reported by the taxpayer on Schedule E for the taxable year.

Effective Date

The city income tax shall be levied, imposed, collected and paid on any and all qualifying wages, net profits and taxable income as provided in Section [Rate and Taxable Income], earned and/or received on and after April 1, 2006.

DETERMINATION OF TAX ALLOCATION

Method of Determination

This Section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745 of the Revised Code.

(a) Except as otherwise provided in division (d) of this section, for taxable years beginning on or after January 1, 2004, the net profits from a business or profession conducted both within and without the City shall be considered as having a taxable situs in the City for purposes of imposing the city income tax to the extent of the amount determined by multiplying the entire net profits by a business allocation percent determined by the average ratio of the following:

(1) The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in the City during the taxable period to the average original cost of all the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in this division (a)(1), "real property" shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereof by eight (8).

(2) Wages, salaries and other compensation paid during the taxable period to persons employed in the business or profession for services performed in the City to wages, salaries and other compensation paid during the same period to persons employed in the business or profession, wherever their services are performed, excluding compensation that is not taxable by the City under Section 718.011 of the Revised Code.

(3) Gross receipts of the business or profession from sales made and services performed during the taxable period in the City to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.

In the event that the foregoing apportionment formula does not produce an equitable result, another basis may be substituted, under the Rules and Regulations, so as to produce an equitable result.

(b) For taxable years beginning on or after January 1, 2004, no taxpayer shall use the books and records method of apportionment. Except as otherwise provided in Section 718.02 of the Revised Code and division (a) of this section, all taxpayers shall use the statutory apportionment formula set forth in this section.

(c) Except as otherwise provided in division (d) of this section, for taxable years beginning on or after January 1, 2004, the net profits from rental activity not constituting a business or profession shall be subject to tax by the City only if the property generating the net profit is located in the City.

(d) This section shall not apply to individuals who are residents of the City and, except as otherwise provided in Section 718.01 of the Revised Code, the City shall impose its tax on all income earned and/or received by residents of the City from whatever source derived in accordance with Section [Rate and Taxable Income] of this chapter.

Sales Made in the City

As used in Section [Method of Determination (a)(3)], "sales made in the City" means:

(a) All sales of tangible personal property delivered within the City regardless of where title passes if shipped or delivered from a stock of goods within the City;

(b) All sales of tangible personal property delivered within the City regardless of where title passes even though transported from a point outside the City, if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City, and the sales result from such solicitation or promotion; or

(c) All sales of tangible personal property shipped from a place within the City to purchasers outside of the City regardless of where title passes if the taxpayer is not,

through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

Total Allocation

Add together the percentages determined in accordance with Section [Method of Determination], or such of the aforesaid percentages as are applicable to the particular taxpayer, and divide the total so obtained by the number of percentages used in deriving the total in order to obtain the business allocation percentage referred to in Section [Method of Determination].

A factor is applicable even though it may be allocable entirely within or without the City.

Rentals

(a) Rental income received by a taxpayer shall be included in the computation of net profits from business activities under divisions (c) to (e) of Section [Rate and Taxable Income], only if and to the extent that the rental, ownership, management or operations of the real estate from which such rentals are derived, whether so rented, managed or operated by a taxpayer individually or through agents or other representatives, constitutes a business activity of the taxpayer in whole or in part.

(b) Where the gross monthly rental of any and all real properties, regardless of number and value, aggregates in excess of three hundred dollars (\$300.00) per month, it shall be prima-facie evidence that the rental, ownership, management or operation of such properties, is a business activity of such taxpayer, and the net income of such rental property shall be subject to tax. However, in the case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits, of the lessee, whether or not such rental exceeds three hundred dollars (\$300.00) per month; provided further that in the case of farm property, the owner shall be considered engaged in a business activity when he shares in crops or when the rental is based on a percentage of the gross or net receipts derived from the farm, whether or not the gross income exceeds three hundred dollars (\$300.00) per month. It is provided further that the person who operates a licensed rooming house shall be considered in business whether or not the gross income exceeds three hundred dollars (\$300.00) per month.

Operating Loss; Carry Forward

(a) The portion of a net operating loss sustained in any taxable year subsequent to [effective date permitting loss carry-forward], allocable to the City may be applied against the portion of the net profit of succeeding tax years allocable to the City, until exhausted but in no event for more than five (5) taxable years immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against net profits of any prior year.

(b) The portion of net operating loss sustained shall be allocated to the City in the same manner as provided herein for allocating net profits to the City.

(c) The Tax Administrator shall provide by Rules and Regulations the manner in which such net operating loss carries forward shall be determined.

EXEMPTIONS

Sources of Income Not Taxed

The tax provided for in this chapter shall not be levied on the following:

- (a) Military pay or allowance of members of the armed forces of the United States and of members of their reserve components, including the Ohio National Guard;
- (b) Income of religious, fraternal, charitable, scientific, literary, educational institutions or other type of nonprofit association or organization enumerated in Ohio Revised Code 178.01 to the extent that such income is derived from tax exempt real estate, tax exempt tangible or intangible property or tax exempt activities;
- (c) 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;
- (d) 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 Village, it shall calculate its income apportioned to the Village under the method or methods provided above.
- (e) If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from Village income tax.
- (f) Proceeds from welfare benefits, unemployment insurance benefits, social security benefits and qualified retirement plans as defined by the Internal Revenue Service;
- (g) Proceeds of insurance paid by reason of the death of the insured; workers' compensation insurance, pensions, permanent disability benefits, annuities, or gratuities not in the nature of compensation for services rendered from whatever source derived; compensation for damages for personal injury and like reimbursements, not including damages for loss of profits and wages;
- (h) Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
- (i) Receipts from seasonal or casual entertainment, amusements, sports events, and health and welfare activities when any such are conducted by bona fide charitable, religious, or educational organizations and associations;

- (j) 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);
- (k) Alimony received;
- (l) Personal earnings of any natural person under 18 years of age;
- (m) Compensation for personal injuries or for damages to property by way of insurance or otherwise;
- (n) Interest, dividends, gains, and other revenue from intangible property described in Section 718.01(A)(5) of the Revised Code;
- (o) Gains from involuntary conversion; cancellation of indebtedness, to the extent exempt from federal income tax; interest on Federal obligations; items of income already taxed by the State that the City is specifically prohibited from taxing; and income of a decedent's estate during the period of administration, except such income from the operation of a business;
- (p) [If applicable] An S corporation shareholder's distributive share of net profits of the S corporation to the extent such distributive shares are allocated or apportioned to sources outside the State of Ohio other than any portion of the distributive shares of net profits that represents wages as defined in Section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in Section 1402(a) of the Internal Revenue Service Code;
- (q) The rental value of a parsonage, or the rental allowance furnished as compensation and actually used for a parsonage, by a minister;
- (r) Compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce;
- (s) Compensation and net profits, the taxation of which is prohibited by the Constitution of the State or any act of the Ohio General Assembly limiting the power of the City to impose net income tax;
- (t) Only the income items listed in this Section [Sources of Income Not Taxed] are not subject to the tax imposed by this chapter. All other compensation, net profits and other income earned and/or received by a taxpayer shall be subject to the tax imposed by this chapter unless prohibited by State or federal law.

RETURNS

Date for Filing Returns

(a) Each taxpayer who engages in business or whose qualifying wages are subject to the tax imposed by this chapter, except as herein provided, shall, whether or not a city income tax is due thereon, make and file a return on or before April 30 of the year following April 1, 2006, and on or before April 30 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months from the end of such fiscal year or period.

(b) Unless the filing exemption in division (e) of this section applies, for taxable years beginning after 2003, each taxpayer shall, whether or not a city income tax is due thereon, make and file an annual city income tax return or report on the fifteenth (15th) day of the fourth (4th) month following the end of the taxpayer's taxable year.

(c) No taxpayer shall be required to file an annual city income tax return or report prior to the filing date for the corresponding tax reporting period as prescribed for such taxpayer under the Internal Revenue Code.

(d) Tax returns required to be filed under this section shall be deemed filed when postmarked by the United States Postal Service or the date of receipt recorded by authorized delivery service as defined in Sections 5703.056 of the Revised Code. Tax returns otherwise delivered to the Tax Administrator during normal business hours shall be deemed filed on the date received.

(e) The Tax Administrator is authorized to provide by regulation that the return of an employer, showing the amount of tax deducted by the employer from the qualifying wages of an employee, and paid by him or them to the Tax Administrator shall be accepted as the return required of any employee whose sole income, subject to tax under this chapter, is such qualifying wages. This filing exemption is limited to nonresident taxpayers whose sole income is qualifying wages for which the tax imposed by this chapter has been withheld and remitted to the City by the employer.

Form and Content of Return

The city income tax return shall be filed with the Tax Administrator on a form prescribed by and obtainable upon request from the Tax Administrator or on a generic form in accordance with Section 718.05 of the Revised Code, setting forth:

(a) The aggregate amounts of all qualifying wages net profits and all other taxable income earned and/or received by the taxpayer during the taxable year and subject to the city income tax;

(b) The amount of the tax imposed by this chapter on such qualifying wages, net profits; and all other taxable income;

(c) Such other pertinent statements, schedules, information, returns, copies of federal or state tax returns or any other information as the Tax Administrator may require; and

(d) In accordance with Section 718.051 of the Revised Code and the Rules and Regulations, taxpayers subject to the city income tax on the net profits from a business or profession may file the city income tax return by using the Ohio Business Gateway.

Extension of Time for Filing Returns

(a) Except as otherwise provided in division (g) of this section, any taxpayer who has requested an extension for filing a federal income tax return may request an extension for filing the city income tax return for the same taxable year by filing a copy of the request for federal extension with the Tax Administrator in accordance with Section 718.05 of the Revised Code and the Rules and Regulations. Any taxpayer not required to file a federal income tax return may request an extension for filing the city income tax return in accordance with Section 718.05 of the Revised Code and the Rules and Regulations.

(b) Requests for extensions are not automatic and may be denied in accordance with Section 718.05 of the Revised Code.

(c) If granted, request for extensions filed before January 1, 2004, shall extend the due date of the city income tax return for a period not less than the period of the federal extension requested.

(d) For taxable years beginning after 2003, if the request for extension to file the city income tax return is granted, the extended due date 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.

(e) The granting of an extension to file the city income tax return does not extend the last date to pay any city income tax due without penalty or interest in accordance with Sections [Interest on Unpaid Tax] and [Penalties on Unpaid Tax] of this chapter.

(f) No late filing penalty shall be imposed if the city income tax return is filed on or before the due date as extended.

(g) In accordance with Section 718.051 of the Revised Code and the Rules and Regulations, taxpayers subject to the city income tax on the net profits from a business or profession that have received an extension to file the federal income tax return by using the Ohio Business Gateway will receive an extension to file the city income tax return for the same taxable year provided that, the requirements of Section 718.051 of the Revised Code are met. In accordance with that Section, the extended due date will be the last day of the same month to which the due date for filing the federal return has been extended.

(h) Extensions to file the city income tax return granted through the Ohio Business Gateway do not extend the time to pay any city income tax due without penalty or interest in accordance with Sections [Interest on Unpaid Tax] and [Penalties on Unpaid Tax] of this chapter.

Consolidated Returns

(a) Filing of consolidated returns may be permitted or required in accordance with the Rules and Regulations prescribed by the Tax Administrator. A consolidated return may be filed by any affiliated group of corporations subject to the tax imposed by this chapter if that affiliated group filed for the same taxable year a consolidated return for federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code. If an affiliated group of corporations subject to the tax imposed by this chapter is required to file a consolidated return or files a consolidated return in accordance with this Section, the affiliated group of corporations must continue to file consolidated returns including that group of corporations and any other group of corporations included in the federal consolidated filing group for all subsequent taxable years that the group files a consolidated tax return for federal tax purposes unless, on or before the due date for filing the city income tax return for the taxable year, the affiliated group obtains written permission from the Tax Administrator to file separate returns for that year.

(b) In the case of a corporation that carried 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 Tax Administrator shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to the City. If the Tax Administrator finds that 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 method, the Tax Administrator shall make such allocation to produce a fair and proper allocation of net profits to the City.

Amended Returns

(a) Where necessary an amended return shall be filed in order to report additional income and pay any additional city income tax due, or claim a refund of city income tax overpaid, subject to the requirements, limitations, or both, contained in Sections [Unpaid Taxes and Refunds; Taxpayer Relief and Reciprocity]. Such amended return shall be on a form prescribed by and obtainable upon request from the Tax Administrator. A taxpayer may not change the method of accounting, filing status or method of apportionment of the net profits after the due date for filing the original city income tax return.

(b) 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 city income tax shown due thereon or make claim for refund of any overpayment.

PAYMENT OF TAX

Payment of Tax on Filing of Return

(a) The taxpayer making a city income tax return shall, at the time of the filing thereof, pay to the Tax Administrator the amount of taxes shown as due thereon.

However, where any portion of the tax so due has been deducted at the source pursuant to the provisions of Section [Collection at Source], or where any portion of the tax has been paid by the taxpayer pursuant to the provisions of Section [Declarations of Income Not Collected at Source], or where an income tax has been paid to another municipality, credit for the amount so paid in accordance with Section [Resident Subject to Income Tax in Other Municipality], 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.

(b) Subject to the limitations set forth in Section [Refund of Taxes Erroneously Paid], any taxpayer who has 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 that no additional taxes or refunds of less than five dollar (\$5.00) shall be assessed, collected or refunded.

Collection at Source

(a) In accordance with this Chapter, and the Rules and Regulations, each employer, agent of any employer or other payer within or doing business within the City who employs one or more persons shall deduct when any qualifying wages are earned and/or received by the taxpayer, the amount of city income tax imposed by Section [Rate and Taxable Income] on the gross qualifying wages earned and/or received by the taxpayer and except as otherwise provided in divisions (f) and (g) of this section shall, on or before the twentieth day of the month following the close of each calendar quarter make a return and pay to the Tax Administrator the amount of city income taxes so deducted from such qualifying wages, subject to the provisions of divisions (c) to (e) of this section. Returns shall be on a form or forms prescribed by or acceptable to the Tax Administrator, and shall be subject to the Rules and Regulations prescribed therefore by the Tax Administrator. Such employer shall be liable for the payment of the city income tax required to be deducted and withheld, whether or not such taxes have in fact been withheld.

(b) Each employer, agent of any employer or other payer in collecting the city income tax shall be deemed to hold the same, until payment is made by such employer, agent of any employer or other payer to the City, as a trustee for the benefit of the City and any such tax collected by such employer, agent of any employer or other payer from his employees shall, until the same is paid to the City, be deemed a trust fund in the hands of such employer, agent of any employer or other payer. Each employer, agent of any employer and other payer shall be liable for the payment of city income tax required to be deducted and withheld, whether or not such taxes have in fact been withheld.

(c) Each employer, agent of any employer or other payer who deducts and withholds city income tax of four hundred dollars (\$400.00) or more per month shall pay to the Tax Administrator before the twentieth of the following month the amount of taxes so deducted on a monthly basis beginning with the first month the employer, agent of any employer or other payer exceeds four hundred dollars (\$400.00) in city income taxes withheld.

(d) Payments shall be reported on a form or forms prescribed by and obtainable upon request from the Tax Administrator.

(e) No employer, agent of an employer or other payer shall be required to withhold the city income tax on qualifying wages or other taxable income paid to domestic servants employed by such employer or other payer exclusively in or about such employer or other payer's residence, even though such residence is in the City, but such employee shall be subject to all of the requirements of this chapter.

(f) (1) Any person who shall employ or contract for the services of any entertainer, entertainment act, sports event, promotional booth, special event, band, orchestra, rock group, theatrical performance, or

(2) Any person who, acting as a promoter, booking agent or employer, engages the services of, or arranges the appearance of any entertainer, entertainment act, sports event, band, orchestra, rock group, theatrical performance in the City, and who makes any payment arising from said appearance in the City shall be deemed to be an employer and shall, for purposes of the collection of the city income tax, be required to withhold, report and remit as required by this section to the Tax Administrator the city income tax at the rate provided in Section [Rate and Taxable Income] hereof, on the gross amount so paid to the entertainer, athlete, etc. on completion of the engagement for the services performed in the City. The reports required by this section shall be made and filed on forms prescribed by and obtainable from the Tax Administrator.

(g) Any person, as defined in Section [Defining Person], who rents facilities to any entertainer, entertainment act, sport event, promotional booth, special event, band, orchestra, rock group, theatrical performance for use in performing services in the City, and who makes any payment arising from said use of facilities shall be deemed to be an employer and shall, for purposes of the collection of the city income tax, be required to withhold, report and remit as required by this section to the Tax Administrator the city income tax at the rate provided in Section [Rate and Taxable Income] hereof based on the gross amount so paid to the entertainer, athlete, etc. on completion of the engagement for the services performed in the City. The reports required by this section shall be made and filed on forms prescribed by and obtainable from the Tax Administrator.

(h) For taxable years beginning after 2003, no employer or agent of an employer or other payer shall be required to withhold tax with respect to any amount other than qualifying wages. Nothing in this Section prohibits an employer from withholding tax on a basis greater than qualifying wages.

(i) Every employer, agent of an employer or other payer required to withhold and remit the city income tax in accordance with this chapter, shall be directly liable to the City for the payment of such tax, whether or not actually withheld or collected.

(j) For taxable years beginning after 2003, no employer is 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.

(k) (1) An employee is not relieved from liability for paying the city income tax by the failure of the employer to withhold the tax as required by this Section [Collection at Source] or the employer's exemption from the requirement to withhold the tax.

(2) The failure of an employer to remit to the City the tax withheld 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.

(1) In accordance with Section 718.051 of the Revised Code, the Rules and Regulations of the State Tax Commissioner, this Chapter and the Rules and Regulations, any employer subject to this Section [Collection at Source] may report the amount of city income tax withheld from qualifying wages and remit such amounts by using the Ohio Business Gateway.

Declarations of Income Not Collected at Source

Every person who anticipates earning and/or receiving any taxable income which is not subject to Section [Collection at Source], or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section [Rate and Taxable Income] 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. However, if a person's income is wholly from qualifying wages from which the city income tax will be withheld and remitted to the City in accordance with Section [Collection at Source], such person need not file a declaration.

Filing of Declaration

(a) For taxable years beginning after 2003, the declaration required by Section [Declarations of Income Not Collected at Source] shall be filed on or before April 15 of each year during the effective period set forth in Section [Effective Date] or on or before the fifteenth (15th) day of the fourth (4th) month following the date the taxpayer becomes subject to tax for the first time.

(b) For taxable years beginning after 2003, for those taxpayers reporting on a fiscal year or period other than a calendar year, the declaration required by Section [Declarations of Income Not Collected at Source] shall be filed on or before the fifteenth (15th) day of the fourth (4th) month after the beginning of each fiscal year or period.

(c) In accordance with Section 718.051 of the Revised Code, the Rules and Regulations of the State Tax Commissioner, this Chapter, and the Rules and Regulations, any taxpayer subject to the city income tax on the net profits from a business or profession may file declarations of estimated net profits and pay estimated city tax due thereon by using the Ohio Business Gateway.

Form of Declaration

(a) The declaration required by Section [Declaration of Income Not Collected at Source] shall be filed upon forms prescribed by and obtainable from the Tax Administrator, or acceptable generic form, and credit shall be taken for City income tax to be withheld from any portion of such income. In accordance with the provisions of Section [Resident Subject to Income Tax in Other Municipality], credit

may be taken for city income tax to be paid to or withheld and remitted to another taxing municipality.

(b) 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.

Payment to Accompany Declaration

(a) For taxpayers who are individuals, the declaration of estimated city income tax required by Section [Declarations of Income Not Collected at Source], shall be accompanied by a payment of at least twenty-two and one-half percent (22.5%) of such taxpayer's estimated city income tax for the taxable year, and at least twenty-two and one-half percent (22.5%) of such estimated city income tax shall be paid on or before each of the last day of the seventh, tenth and thirteenth months after the beginning of the taxable year.

(b) For taxpayers that are not individuals, the declaration of estimated city income tax required by Section [Declarations of Income Not Collected at Source], shall be accompanied by a payment of at least twenty-two and one-half percent (22.5%) of such taxpayer's estimated city income tax for the taxable year, and at least twenty-two and one-half percent (22.5%) of such estimated city tax shall be paid on or before each of the fifteenth (15th) day of the sixth, ninth and twelfth months after the beginning of the taxable year.

(c) No declaration shall be deemed filed unless accompanied by the required payment of estimated city income tax.

(d) Declarations required to be filed by Section [Declarations of Income Not Collected at Source], shall be deemed filed when the declaration with required payment are postmarked by the United States Postal Service or the date of receipt recorded by authorized delivery service as defined in Section 5703.056 of the Revised Code. Declarations otherwise delivered with the required payment to the Tax Administrator during normal business hours shall be deemed filed on the date received.

(e) A declaration of estimated city income tax may be amended at any time, in accordance with the Rules and Regulations. In the event that an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates set forth in this Section.

Annual Return

For taxable years beginning after 2003, the annual city income tax return required to be filed after filing such declaration or amended declaration shall be filed on or before the fifteenth (15th) day of the fourth (4th) month following the end of the taxpayer's taxable year (calendar or fiscal year). Any balance of city income tax remaining due in accordance with Section [Payment of Tax on Filing of Return] shall be remitted with the city income tax return.

INTEREST AND PENALTIES

Interest on Unpaid Tax

All city income taxes imposed and all monies withheld or required to be withheld by employers under the provisions of this chapter and remaining unpaid after they become due shall bear interest at the rate of one and a half percent (1½%) per month or fraction thereof.

Penalties on Unpaid Tax

In addition to interest as provided in Section [Interest on Unpaid Tax], penalties are imposed on all city income tax remaining unpaid after it becomes due as follows:

- (a) For failure to pay city income taxes due other than taxes withheld: five percent (5%) of such outstanding tax per month for each month that the tax remains outstanding or fraction thereof;
- (b) For failure to file an annual city income tax return by the due date or extended due date: a minimum of twenty-five dollars (\$25.00);
- (c) For failure to remit city income taxes withheld or required to be withheld from employees: five percent (5%) of the outstanding unremitted tax per month or fraction thereof for each month that the unremitted tax remains outstanding; and
- (d) In accordance with the Rules and Regulations, the Tax Administrator may impose such other interest and penalty assessment as the Tax Administrator deems necessary for the administration and enforcement of the provisions of this chapter.

Exceptions to Penalties

A penalty shall not be assessed on an additional tax assessment made by the Tax Administrator when a city income tax return has been filed in good faith and the tax paid thereon within the time prescribed by Section [Date for Filing Returns] provided that the additional tax assessment shall be paid within the time prescribed by the Tax Administrator for payment of such additional tax; and provided further, that in the absence of fraud, neither penalty nor interest shall be assessed on any additional city income tax assessment resulting from a federal audit, providing an amended city income tax return is filed and the additional city income tax is paid within three months after a final determination of the federal income tax liability.

Abatement of Interest and Penalty

Upon recommendation of the Tax Administrator, the Board of Review may abate penalty or interest, or both, or upon a written appeal by the taxpayer upon the refusal of the Tax Administrator to recommend abatement of penalty, interest, or both, the Board may nevertheless abate penalty or interest, or both, for reasonable cause shown.

The Rules and Regulations may authorize the Tax Administrator to abate penalty, interest, or both, for reasonable cause shown in certain circumstances.

Violations

No person shall:

- (a) Fail, neglect, or refuse to make any return or declaration required by this chapter; or
- (b) Knowingly make any incomplete, false, or fraudulent return; or
- (c) Willfully fail, neglect, or refuse to pay the tax, penalties or interest imposed by this chapter; or
- (d) Fail, neglect, or refuse to withhold city income tax from his employees; or
- (e) Refuse to permit the Tax Administrator 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
- (f) Fail to appear before the Tax Administrator 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 Tax Administrator; or
- (g) Refuse to disclose to the Tax Administrator 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
- (h) Fail to comply with the provisions of this chapter or any order or subpoena of the Tax Administrator authorized hereby; or
- (i) To avoid imposition or collection of city income tax, 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; or
- (j) Fail, as an employer, agent of an employer, or other payer, to maintain proper records of employees residence addresses, total wages paid and city tax withheld, or to knowingly give the Tax Administrator false information; or
- (k) Fail to remit or cause to be remitted the city income tax withheld from all qualifying wages of employees to the City as required by Section [Collection at Source]; or
- (l) Willfully fail, neglect, or refuse to make any payment of estimated city income tax for any taxable year or part of any taxable year in accordance with Section [Payment to Accompany Declaration]; or
- (m) 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.

(n) For purposes of this Section [Violations], any violation that does not specify a culpable mental state or intent, shall be one of strict liability and no culpable mental state or intent shall be required for a person to be guilty of that violation.

(o) For purposes of this Section [Violations], the term "person" shall, in addition to the meaning prescribed in Section [Defining Person], include in the case of a corporation, association, pass-through entity or unincorporated business entity not having any resident owner or officer within the city, any employee or agent of such corporation, association, pass-through entity or unincorporated business entity who has control or supervision over or is charged with the responsibility of filing the city income tax returns and making the payments of the city income tax as required by Section [Date for Filing Returns, Collection at Source] and Section [Payment to Accompany Declaration].

Limitation of Prosecution

Prosecutions for an offense made punishable under this chapter shall be commenced within three (3) years after the commission of the offense, except that in the case of fraud, failure to file a return, or the omission of twenty-five (25%) or more of the taxable income required to be reported, prosecutions shall be commenced within six (6) years after the commission of the offense.

Failure to Procure Tax Forms

The failure of any employer, other payer, taxpayer or person to receive or procure a city income tax return, declaration or other required form shall not excuse such employer, other payer, taxpayer or person from making any information return, or city income tax return or declaration, from filing such return, or from paying the city income tax due.

UNPAID TAXES AND REFUNDS

Unpaid Taxes Recoverable as Other Debts

All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, as other debts of like amount are recoverable, including, but not limited to, collection by suit. Any suit shall be brought within three (3) years after the city income tax was due or the return was filed, whichever is later. Except in the case of fraud, of omission of twenty-five (25%) or more of taxable income required to be reported, or of failure to file a return, no additional assessment shall be made after three (3) years from the time the city income tax was due or the city income tax return was filed, whichever is later.

Refund of Taxes Erroneously Paid

(a) Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date on which such payment was made or the return was due, or within three (3) months after the final determination of the federal tax liability, whichever is later.

(b) No interest shall be paid by the City on any refunded overpayment of city income tax if the overpayment is refunded within ninety (90) days after the due date

for filing the city income tax 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 city income tax for any taxable year shall be treated as having been paid before the date on which the city income tax return for that taxable year was due, without regard to any extension of time for filing that return. Interest on any overpayment of city income tax shall be paid at the rate of interest prescribed by Sections 718.12 and 5703.47 of the Revised Code.

Limitation on Collection and Refunds

Amounts of less than five dollars shall not be collected or refunded.

TAXPAYER RELIEF AND RECIPROcity

[City] Resident Subject to Income Tax in Other Municipality

[If a credit is granted] – NOT APPLICABLE

(a) When a resident is subject to and has paid a municipal income tax in another municipality on the same income taxable under this chapter, regardless of whether such other municipality allows a credit to its residents, and the rate of [City]'s municipal income tax is less than _____ percent (___%), such resident may claim a credit of the amount of income tax paid to the other municipality, but not in excess of _____ percent (___%) of the tax imposed by this chapter. When a resident is subject to and has paid a municipal income tax in another municipality on the same income taxable under this chapter regardless of whether such other municipality allows a credit to its residents and the rate of [City]'s municipal income tax is _____ percent (___%) or more, such resident may claim a credit of the amount of income tax paid to the other municipality, which credit shall not exceed the tax assessed by this chapter on the resident's taxable income subject to tax by another municipality.

[If no credit is granted]

(a) When a resident is subject to and has paid a municipal income tax in another municipality on the same income taxable under this chapter, regardless of whether such other municipality allows a credit to its residents, such resident may not claim a credit of the amount of income tax paid to such other municipality.

(b) In the event a resident is entitled to credit for taxes paid another municipality, such resident is required to file a return on a form in such manner as the Tax Administrator may prescribe.

(c) Assignment of any claim for refund to which a resident may be entitled from another municipality shall be tentatively accepted as payment of that portion of city income tax represented by such assignment. However, if satisfactory evidence is offered that the taxpayer is entitled to the claim covered by the assignment, such taxpayer shall not be deprived of credit therefore because of fault or neglect on the part of either municipality.

(d) In the event such resident fails, neglects or refuses to file such return or form as is prescribed by the Tax Administrator, such resident shall not be entitled to such

credit and shall be considered in violation of this chapter for failure to file a return and make payment of taxes due hereunder.

(e) A resident owner of a pass-through entity that does not conduct business in the City and that has paid an income tax to another municipality may claim a credit equal to the lesser of (i) the resident owner's proportionate share of the amount, if any, of income tax paid by the pass-through entity to another municipality in the State; or (ii) the resident owner's proportionate share of the amount of city income tax that would be imposed on the pass-through entity if the pass-through entity conducted business in the City.

(f) In no case shall the amount of the credit allowed under division (e) of this Section exceed the tax assessed by this chapter on the resident owner's taxable income subject to tax by another municipality.

(g) The credits provided in Section 718.021 and 718.121 shall be available to residents, if applicable.

(h) Except as otherwise provided in Sections 718.021; 718.121 and 718.14 of the Revised Code, this chapter and the Rules and Regulations, where a nonresident is subject to the tax imposed by this chapter and is subject to tax on the same taxable income in the municipality where such nonresident resides, no credit against the city income tax levied by this chapter shall be allowed.

Claim for Credit

Any claim for credit for taxes paid by a resident to another municipality on the same income taxable under this chapter or claim for or assignment of any refund due to the credit provided for in Section [Resident Subject to Income Tax in Other Municipality], must be filed with the Tax Administrator on a form acceptable to the Tax Administrator within three (3) years from the due date of the city income tax return. If the resident, fails, neglects, or refuses to file such claim for refund or credit within the time prescribed by this section, such failure, neglect, or refusal shall render such credit, claim for refund, or assignment null and void and the resident shall be liable for the full amount of tax assessed by this chapter, together with interest and penalties.

FUND DEPOSIT AND DISBURSEMENT

Deposit of Funds

All monies collected by the Tax Administrator under the provisions of this chapter shall be kept in the General Fund Income Tax account.

Disbursement of Funds Collected

The funds collected under the provisions of this chapter shall be disbursed as appropriated by Village Council.

DUTIES AND AUTHORITY OF ADMINISTRATOR

Receipt and Records of Tax

The Tax Administrator shall collect and receive the tax imposed by this chapter in the manner prescribed herein from the taxpayers, keep an accurate record thereof, and report all monies so received.

Enforcement of Collection

The Tax Administrator shall enforce payment of all income taxes owing to the City, keep accurate records for a minimum of [Years Required by City Schedule of Record Retention and Destruction] (5) years, showing the amount due from each taxpayer required to file a declaration of estimated municipal income tax and make any return, or both, including returns of taxes withheld and show the dates and amounts of payments thereof.

Authority to Make and Enforce Regulations

(a) The Tax Administrator 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 and interpret 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.

(b) Upon the request of a taxpayer or employer subject to this chapter, the Tax Administrator is empowered to issue Administrative Rulings interpreting this chapter and the Rules and Regulations. Those Administrative Rulings shall be binding and effective upon issuance as to the taxpayer or employer requesting the Ruling. Administrative Rulings may be appealed to the Board of Review.

Authority to Arrange Installment Payments

(a) The Tax Administrator is authorized to arrange for the payment of unpaid taxes, interest and penalties on a schedule of installment payments, not to exceed twelve (12) months, when the taxpayer has proved to the Tax Administrator that, due to certain hardship conditions, he is unable to pay the full amount of the tax due. Such authorization shall not be granted until proper returns are filed by the taxpayer for all amounts owed by him under this chapter.

(b) Failure to make any deferred payment when due, shall cause the total unpaid amount, including penalty and interest, to become payable on demand, and the provisions of Sections [Unpaid Taxes Recoverable as Other Debts] and [Rate and Taxable Income] shall apply.

Authority to Determine Amount of Tax Due

In any case where a taxpayer has failed to file a return or has filed a city income tax return which does not show the proper amount of tax due, the Tax Administrator may determine the amount of city income tax appearing to be due the City from the taxpayer and may send to such taxpayer a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any.

Investigations

The Tax Administrator, or any authorized agent, representative or employee, is authorized to examine the books, papers, records and federal income tax returns of any employer or of any taxpayer or any person subject to, or whom the Tax Administrator believes is subject to the provisions of this chapter, for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax or withholding due under this chapter. Every such employer, supposed employer, taxpayer or supposed taxpayer is directed and required to furnish within fifteen (15) days upon written request by the Administrator, or his duly authorized agent, representative, or employee, the means, facilities and opportunities for making such examinations and investigations as are hereby authorized.

Authority to Compel Production of Records

The Tax Administrator 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 reported or withheld for city income tax purposes 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.

Refusal to Produce Records

The refusal to produce books, papers, records and federal income tax returns, or the refusal to submit to such examination by any employer or persons subject or presumed to be subject to the city income tax or by any officer, agent or employee of a person subject to the city income tax or required to withhold such tax or the failure of any person to comply with the provisions of this chapter, including this section, or with an order or subpoena of the Tax Administrator is a violation of this chapter punishable in accordance with Section [Penalty].

Confidential Nature of Information; Disclosure of Returns and Return Information

(a) Any information gained as a result of returns, investigations, hearings or verifications required or authorized by this chapter or Chapter 718 of the Revised Code shall be confidential and no person shall disclose such information except in accordance with a 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.

(b) The Tax Administrator may furnish copies of returns filed under this chapter to the Internal Revenue Service and to the State Tax Commissioner.

Taxpayer Required to Retain Records

Every taxpayer shall retain all records necessary to compute his city income tax liability for a period of five (5) years from the date his city income tax return is filed or the city income taxes required to be withheld are paid.

Authority to Contract for Central Collection of Tax

The Mayor of the City is authorized to enter into an agreement on behalf of the City with the City of Cleveland Central Collection Agency for the purpose of administering the income tax laws of the City as its agent and to provide central collection services for the collection of taxes imposed by the City's Income Tax Ordinance.

Withholding Taxes from Federal Employees

The Tax Administrator is authorized to enter into an agreement on behalf of the City with the United States Secretary of the Treasury for the purpose of withholding city income or employment taxes from the compensation of federal employees whose regular place of federal employment is within the territorial jurisdiction of the City.

BOARD OF REVIEW

Board of Review Established

A Board of Review, consisting of the Clerk/Treasurer as Secretary, Solicitor, Council President as Chairman, is hereby created and shall be maintained to hear appeals by taxpayers of decisions and Administrative Rulings issued by the Tax Administrator regarding a municipal income tax obligation that is subject to appeal as provided in Section 718.11 of the Revised Code, this chapter or the Rules and Regulations. The Council President as voted upon each calendar year will be deemed as Chairman of the Board and the Clerk/Treasurer will be deemed as Secretary of the Board. A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions. Any hearing by the Board may be conducted privately and the provisions of Section [Confidential Nature of Information; Disclosure of Returns and Return Information] with reference to the confidential character of information required to be disclosed by this chapter shall apply to such matters as may be heard before the Board on appeal.

Board to Approve Regulations and Hear Appeals

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. The Board shall hear and pass on appeals from any Administrative Ruling or decision issued by the Tax Administrator.

Right of Appeal

In accordance with Section 718.11 of the Revised Code and Rules and Regulations, any person dissatisfied with any Administrative Ruling or decision of the Tax Administrator that is made under the authority conferred by this chapter may appeal therefrom to the Board of Review within thirty (30) days from the announcement of such Administrative Ruling or decision by the Tax Administrator. The Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof. Such appeal shall be deemed filed when postmarked by the United States Postal Service or the date of receipt recorded by authorized delivery service as defined in Sections 5703.056 of the Revised Code. Appeals otherwise delivered to the Tax Administrator during normal business hours shall be deemed filed on the date received.

In accordance with the procedures set forth in Section 5717.011 of the Revised Code, for matters relating to taxable years beginning on or after January 1, 2004, the taxpayer or Tax Administrator may appeal decisions of the Board of Review to the State Board of Tax Appeals or a court of common pleas as otherwise provided by law.

INTENT AND TAX CONTINUATION

Declaration of Legislative Intent

If any sentence, clause, section or part of this chapter, or any tax imposed against, or exemption from tax granted to, any taxpayer or forms of income specified herein is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this chapter so found and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included in this chapter.

Collection of Tax after Termination of Chapter

(a) This Chapter shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions and proceedings for collection any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of the taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Sections [Unpaid Taxes and Refunds] and [Violations; Limitation of Prosecution; Failure to Procure Tax Forms]

(b) Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided in Sections [Date for Filing Returns] and [Collection at Source], as though the same were continuing.

PENALTY

Penalty

(a) Whoever violates any of the provisions of Sections [Violations] or [Refusal to Produce Records] shall be guilty of a misdemeanor of the first degree for each violation. Each violation constitutes a separate offense.

(b) Whoever violates Section [Confidential Nature of Information; Disclosure of Returns and Return Information] shall be guilty of a misdemeanor of the first degree for each such disclosure. Each disclosure shall constitute a separate offense. In addition to the above penalty, any employee of the City who violates Section [Confidential Nature of Information; Disclosure of Returns and Return Information] shall be guilty of an offense punishable by immediate dismissal.

PASSED: March 6, 2006

Mayor

President of Council

ATTEST: Clerk/Treasurer

**ORDINANCE #234A
VILLAGE OF CAIRO**

**Amend Municipal Income Tax Ordinance No. 234 To Exclude
College Students and Declare that all Retired Residents file an
Annual Income Tax Return**

NOW BE IT ORDAINED by the Council of the Village of Cairo, State of Ohio, at least two-thirds (2/3) of all members elected thereto concurring:

SECTION I: That the Municipal Income Tax Ordinance #234 be amended to add to EXEMPTIONS Sources of Income Not Taxed Section, Exclusion Item (u) as follows: All full-time college students are exempt from paying municipal income tax to the Village of Cairo. (It does not matter if they are living in Cairo or elsewhere on Campus. This exemption includes both residence tax and employment tax.)

It is also determined that all Retirees must file an Annual Income Tax Return.

SECTION II: That it is found and determined that all formal action of this Council concerning and relating to the adoption of the Ordinance were adopted in an open meeting of this Council. All deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION III: That this Ordinance can now take effect and be in force retroactive to April 1, 2006.

PASSED: December 4, 2006

Mayor – Michael R. Ebling

ATTEST: _____
Clerk/Treasurer – Diane M. Miller

**ORDINANCE #234B
VILLAGE OF CAIRO**

**Amend Municipal Income Tax Ordinance No. 234 To Reduce the
Village Income Tax Rate to One Half Percent (1/2%).
Effective July 1, 2007.**

NOW BE IT ORDAINED by the Council of the Village of Cairo, State of Ohio, at least two-thirds (2/3) of all members elected thereto concurring:

SECTION I: That the Municipal Income Tax Ordinance #234 be amended to reduce the annual tax from one percent (1%) to one half percent (1/2%) per annum effective July 1, 2007.

SECTION II: That it is found and determined that all formal action of this Council concerning and relating to the adoption of the Ordinance were adopted in an open meeting of this Council. All deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION III: That this Ordinance can now take effect and be in force effective July 1, 2007.

PASSED: June 4, 2007

Mayor – Michael R. Ebling

ATTEST: _____
Clerk/Treasurer – Diane M. Miller

**ORDINANCE #234C
VILLAGE OF CAIRO**

Amend Municipal Income Tax Ordinance No. 234 to eliminate penalties for all income tax payments paid in full by April 15th, or by deadline set if individuals filed an income tax extension.

Effective Retroactive to April 1, 2006

NOW BE IT ORDAINED by the Council of the Village of Cairo, State of Ohio, at least two-thirds (2/3) of all members elected thereto concurring:

SECTION I: That the Municipal Income Tax Ordinance #234 be amended to eliminate penalties for all income tax payments paid as long as the correct income tax amount has been paid in full by April 15th or by deadline set by the IRS if individuals filed an income tax extension.

SECTION II: That it is found and determined that all formal action of this Council concerning and relating to the adoption of the Ordinance were adopted in an open meeting of this Council. All deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION III: That this Ordinance can now take effect and be in force retroactive to April 1, 2006.

PASSED: July 14th, 2008

Mayor – James K. Everett

ATTEST: _____

Fiscal Officer – Diane M. Miller