

City of Reynoldsburg

CITY INCOME TAX

TITLE NINE - Taxation
Chap. 191. Income Tax

CHAPTER 191 Income Tax

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CROSS REFERENCES

Power to levy income tax - see Ohio Const., Art. XVIII, Sec. 3

Municipal income taxes - see Ohio R.C. Ch. 718

Payroll deductions - see Ohio R.C. 9.42

Tax limitations - see CHTR. §8.02

191.01 DEFINITIONS.

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

- A. **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, but including subsequent adjustments from required additions and deductions.
- B. **Association.** "Association" means a partnership, limited partnership, or any other form of unincorporated enterprise owned by two or more persons.
- C. **Board of Review.** "The Board of Review", known as the Income Tax Board of Review, means the Board created by and constituted as provided by Section 191.20.
- D. **Business.** "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, fiduciary, trust, association, corporation or any other entity.
- E. **City.** "City" means the City of Reynoldsburg.
- F. **City Auditor.** "City Auditor" means the Auditor of the City of Reynoldsburg, or any other person or governmental agency designated by a contract approved by Council, to administer the tax imposed by this chapter.
- G. **Corporation.** "Corporation" means a corporation or joint stock association organized under the laws of the United States, State of Ohio, or any other state, territory or foreign country or dependency.
- H. **Domicile.** "Domicile" means a principal residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent he intends to return. A taxpayer has only one domicile even though he may have more than one residence.
- I. **Employee.** "Employee" means a person who works for wages, salary, commissions or other type of compensation in the service of an employer.
- J. **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 salary, wage, commission or other compensation basis.
- K. **Fiscal Year.** "Fiscal year" means an accounting period of twelve (12) months or less ending on any day other than December 31.

- L. **Form 2106.** "Form 2106" means Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.
- M. **Generic Form.** "Generic form" means an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability or for filing a refund claim. However, to be acceptable the generic forms must be in a similar format that will allow the processing of the generic forms without changing existing procedures for processing forms.
- N. **Gross Receipts.** "Gross receipts" means the total income from any source.
- O. **Independent Contractor.** "Independent contractor" means a person who while performing services for another, is not under the direction and control of such other person, as to the result to be accomplished by the work and as to the details and means by which that result is accomplished such as authors, professionals, etc.
- P. **Intangible Income.** "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, Chapter 5701 of the Ohio Revised Code, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.
- Q. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended.
- R. **Internet.** "Internet" means the international computer network of both Federal and nonfederal interoperable packet switched data networks, including the graphical subnetwork known as the world wide web.
- S. **Joint Economic Development District.** "Joint economic development district" means districts created under the O.R.C. sections 715.70 through 715.83, as amended from time to time.
- T. **Net Profit.** "Net profit" for a taxpayer other than an individual means adjusted federal taxable income and "Net profit" for a taxpayer who is an individual means the individual's profit, other than amounts described in Section 191.16, required to be reported on schedule C, schedule E or schedule F.
- U. **Nonqualified Deferred Compensation Plan.** "Nonqualified deferred compensation plan" means a compensation plan described in Section 3132(v)(2)C of the Internal Revenue Code.

- V. **Nonresident Individual.** "Nonresident individual" means an individual who is not domiciled in the City of Reynoldsburg and whose usual place of abode is outside the City of Reynoldsburg.
- W. **Nonresident Unincorporated Business Entity.** "Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the City of Reynoldsburg.
- X. **Other Payer.** "Other payer" means any person, other than an individual's employer or the employer's agent, who pays an individual any amount included in the federal gross income of the individual.
- Y. **Person.** "Person" means every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, "person," as applied to any unincorporated or incorporated association or other entity, includes an officer or employee shareholder of a corporation, or a member or partner of a partnership who as such officer, employee shareholder, member or partner is under a duty to perform the act in respect of which the violation occurs.
- Z. **Place of Business.** "Place of business" means any bona fide office, other than a mere statutory office, factory, warehouse or other place which is occupied and used by the taxpayer in carrying on any business activity individually or through any one or more of his regular employees regularly in attendance.
- AA. **Qualified Plan.** "Qualified plan" means a retirement plan satisfying the requirements under Section 401 of the Internal Revenue Code as amended.
- BB. **Qualifying Wages.** "Qualifying wages" means wages, as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted in accordance with Section 718.03(A) of the Ohio Revised Code.
- CC. **Resident Individual.** "Resident individual" means any individual who is domiciled in the City of Reynoldsburg or whose usual place of abode is in the City of Reynoldsburg.
- DD. **Resident Unincorporated Business Entity.** "Resident unincorporated business entity" means an unincorporated business entity having an office or place of business within the City of Reynoldsburg.
- EE. **Schedule C.** "Schedule C" means Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.
- FF. **Schedule E.** "Schedule E" means Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

- GG. **Schedule F.** "Schedule F" means Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.
- HH. **Singular and Plural; Gender.** The singular includes the plural; the masculine gender includes the feminine and the neuter genders.
- II. **Tax Administrator.** "Tax Administrator" is the administrator of the Division of Taxation in the Office of the City Auditor, or the person executing the duties of the aforesaid Administrator.
- JJ. **Taxable Income.** "Taxable income" means qualifying wages paid by an employer or employers, compensation for personal services, other income defined by statute as taxable and/or adjusted federal taxable income from the operation of a business, profession, or other enterprise or activity adjusted in accordance with the provisions of this chapter.
- KK. **Taxable Year.** "Taxable year" means the calendar year or the fiscal year upon basis of which the net profits are to be computed in this chapter and, in the case of a return for a fractional part of a year, the period for which such return is required to be made.
- LL. **Taxing Municipality.** "Taxing municipality" means any municipal corporation levying a municipal income tax on salaries, wages, commissions and other compensation earned by individuals, and on the net profits earned from the operation of a business, profession or other activity.
- MM. **Working Day.** "Working Day" means a day for which an employee receives compensation whether the services are performed or not performed such as Sundays, holidays, etc.

191.02 IMPOSITION OF TAX

To provide for the purposes of general Municipal operations, maintenance, new equipment and capital improvements of the City, there is hereby levied a tax at the rate of one and one-half percent (1.5%) per year upon the following:

- A. On all qualifying wages, commissions, other compensation and other taxable income earned or received by residents of the City.
- B. On all qualifying wages, commissions, other compensation and other taxable income earned or received by nonresidents of the City for work done or services performed or rendered in the City.
- C. 1. On the net profits earned or received by unincorporated businesses, professions or other activities conducted by residents of the City.

2. On the net profits earned or received by unincorporated businesses, professions or other activities conducted in the City by nonresidents.
 3. For the purpose of subsection C1 and 2 hereof, an association shall not be taxable as an entity, with the exception of partnerships or limited partnerships which will be taxed as an entity and any member thereof who is a resident of the City shall be taxed individually on his entire share, whether distributed or not, of the annual net profits of the association, and any nonresident member thereof shall be taxed individually only on that portion of his share, whether distributed or not, of the annual net profits of the association as is derived from work done, services performed or rendered, and business or other activities conducted in the City.
- D. On the net profits of all corporations, estates and trusts, derived from work done or services performed or rendered and business or other activities conducted in the City, whether or not such corporations, estates and trusts have their principal or any place of business located in the City.

191.03 ALLOCATION OF NET PROFITS.

The provisions of Ohio R.C. 718.02 shall be followed in the allocation of the net profits of a taxpayer who conducts a business both within and without the boundaries of the City.

191.04 LEVY OF TAX.

The tax imposed by Section 191.02 shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after July 1, 1982, and with respect to the net profits of businesses, professions or other activities earned on and after July 1, 1982.

The net profits for the fiscal year closing July 1, 1982 shall be determined by dividing the annual net profits by twelve and multiplying the quotient by:

- A. The number of months within the period commencing July 1, 1982, and ending at the conclusion of the fiscal year to which the tax rate of one and one-half percent (1.5%) shall be applied; and
- B. The number of months within the period beginning at the start of the fiscal year and ending June 30, 1982, to which the tax rate of one percent (1%) shall be applied.

191.05 RETURN AND PAYMENT.

- A. Each person residing in the City eighteen years of age or older, shall be required to file a City income tax return on or before April 15 of each year with the City Auditor. When the return is made for a fiscal year or other period different from the calendar

year, the return shall be made on or before the fifteenth day of the fourth month after the closing of such fiscal year or other period.

- B. Each taxpayer whose salaries, wages, commissions and other compensation are subject to the tax imposed by this chapter may not offset losses from any business or professional activity conducted in this City or in any other municipality, from W-2 income. A husband and wife, in any taxable year, may elect to file separate or joint returns.
- C. If a net operating loss has been sustained in any taxable year, such losses may not be carried forward or backward to any other taxable year.
- D. Affiliated corporations may not deduct a loss from any other corporation having a taxable profit and operations of any affiliated corporation having a loss may not be taken into consideration in computing net profits or Business Allocation Percentage Formula.
- E. The taxpayer making a return shall, at the time of filing, pay to the City Auditor the amount of taxes shown as due thereon. However, where any portion of the tax due has been deducted at the source pursuant to the provisions of Section 191.07, where any portion of such tax has been paid by the taxpayer pursuant to the provisions of Section 191.07 or where an income tax has been paid to another municipality in accordance with Section 191.15, credit for the amount so paid shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing the return.
- F. A taxpayer who has overpaid his income tax in any taxable year may request a refund, provided there is no other tax liability. However, no amount of one dollar (\$1.00) or less will be refunded or collected.
- G. The City Auditor shall have the authority to extend the time for filing of the annual return upon the request of the taxpayer for a period not to exceed six months, or one month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal income tax return. The City Auditor may require a tentative return accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due. No penalty or interest shall be assessed in those cases in which the return is filed and the final tax paid within the period as extended.

191.051 MANDATORY OCCUPANCY REPORT FOR CITY RENTAL UNITS.

Commencing March 15, 1990 and each year thereafter and on September 15, each year thereafter, each owner or his designated agent of five or more units of real property located within the City and which are rented or available for rent as of these dates, shall submit to the City Auditor, or his designated representative, a list of those tenants presently occupying these rental units and those units of real property which are subject

to the rental agreement whether oral or written for residential, commercial or industrial purposes.

Further, if a tenant's name appears on one six-month report and vacates the unit prior to the next reporting period, a forwarding address and the date the tenant vacated the unit is to be listed on the next six month report.

Any person who fails to file this report violates this section and shall be subject to a fine of five dollars (\$5.00) per day for each and every day they remain in violation.

191.06 AMENDED RETURN AND REFUNDS FOR OVERPAYMENT.

Where an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Section 191.05, such amended return shall be on a form obtainable on request from the City Auditor. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.

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 tax based upon such final determination of Federal tax liability, and pay any additional tax shown due thereon or make a claim for refund of any overpayment.

No refund shall be allowed unless a written request is presented to the City Auditor within the time provided by the Ohio R.C. 718.12 (C).

191.07 COLLECTION AT SOURCE.

A. Each employer within or doing business within the City, shall deduct at the time of payment of such salaries, wages, commissions or other compensation, the tax of one and one-half percent (1.5%) of the qualifying wages due by the employer to an employee and shall, on or before the last day of the month following the close of each calendar quarter, make a return and pay to the City Auditor, or any other person or governmental agency designated by a contract approved by Council to administer the tax imposed by this chapter the amount of taxes so deducted. The officer, employee shareholder, member or partner having control or supervision of or charged with the responsibility of filing the report and making payment, is personally liable for failure to file the report or pay the tax due as required by this section. Any person required to collect, truthfully account for and pay over any tax imposed by this title who willfully fails to collect such tax, or truthfully accounts for and pay over such tax, or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable for a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over. The dissolution of a corporation does not discharge an

officer's or employee shareholder's, member's or partner's liability for a prior failure of the corporation to file returns or pay tax due.

However, any employer who deducts taxes in the amount of one thousand dollars (\$1,000.00) or more per week or bi-monthly shall remit to the City Auditor on or before the third working day following the end of such period, the taxes so deducted for this period. Any employer who deducts taxes in the amount of one thousand dollars (\$1,000.00) or more per month shall remit to the City Auditor on or before the fifteenth working day following the end of the month such taxes which were withheld. Such remittance may be based on an estimate made by the employer of the employer's most recent payroll.

- B. Each employer who maintains a place of business in the City and another branch within the metropolitan area of the City, must also withhold the tax from employees residing in the City but working at the employer's metropolitan area branch, even though the payroll records and place of payment are outside the City.
- C. On or before February 28 following any calendar year in which such deductions have been made by any employer, such employer shall file with the City Auditor, in the form prescribed by the City Auditor, an information return for each employee from whom City income tax has been withheld, showing the name, address and social security number of the employee, the total amount of compensation paid during the year and the amount of City income tax withheld from such employee.

191.08 DECLARATIONS.

Every person who anticipates any taxable income which is not subject to Section 191.07, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 191.02 C1 and C2, 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 tax will be withheld and remitted to the City in accordance with Section 191.07, such person need not file a declaration.

The declarations shall be filed on or before April 15 of each year during the existence of this chapter, or on or before the fifteenth day of the fourth month the taxpayer becomes subject to tax for the first time.

Those taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period.

The declaration shall be filed upon a form furnished by or obtainable from the City Auditor. However, credit shall be taken for the City tax to be withheld from any portion of such income. In accordance with the provisions of Section 191.07, credit may be taken for tax to be paid or to be withheld and remitted to another taxing municipality.

The original declaration or any subsequent amendment thereof may be increased or decreased on or before any subsequent quarterly payment day as provided for herein.

For taxpayers who are individuals, such declarations of estimated tax to be paid the City shall be accompanied by a payment of at least one-fourth of the estimated annual tax and at least a similar amount shall be paid on or before the last day of the seventh, tenth and thirteenth months after the beginning of the taxable year. However, in case 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.

For taxpayers that are not individuals, such declarations of estimated tax to be paid the City shall be accompanied by a payment of at least one-fourth of the estimated annual tax and at least a similar amount shall be paid on or before the fifteenth day of the sixth, ninth and twelfth months after the beginning of the taxable year. However, in case 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.

On or before the fifteenth day of the fourth month of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due the City shall be paid in accordance with the provisions of Section 191.05.

A declaration of estimated tax which is less than ninety percent of the tax shown on the final return shall not be considered filed in good faith. The difference shall be subject to penalties and interest as provided for in Section 191.18 of this chapter.

191.09 COLLECTION OF TAX; RECORDS.

It shall be the duty of the Auditor to administer, collect and receive the tax imposed by this chapter in the manner prescribed herein, and it shall also be his duty to keep an accurate record showing the payment received by him from each taxpayer and the date of the payment.

191.10 DUTIES OF THE CITY AUDITOR.

The City Auditor is hereby charged with the administration and enforcement of the provisions of this chapter and he is hereby empowered to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this chapter, including provisions for the re-examination and correction of returns and payments.

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

When a contract designating another person or governmental agency to administer the tax imposed by this chapter has been approved or authorized by Council, the City Auditor shall assist such other person or governmental agency in the administration of the tax in the manner provided in such contract.

191.11 INVESTIGATIVE POWERS OF THE AUDITOR.

The City Auditor, or any authorized employee of the Auditor, is hereby authorized to examine the books, papers, records and Federal income tax returns of any employer or of any taxpayer or person subject to, or who the City Auditor believes is subject to, the provisions of this chapter for the purposes of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due under this chapter. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish upon written request by the City Auditor, or his duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.

The City Auditor 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 would have been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and Federal income tax returns and the attendance of all persons before him, whether as parties or witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.

191.12 TAX INFORMATION CONFIDENTIAL.

Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this chapter, shall be confidential, except for official purposes or except in accordance with proper judicial order. The City Auditor may furnish the Bureau of Internal Revenue, Treasury Department of the United States with copies of the returns filed.

191.13 COLLECTION OF UNPAID TAXES.

All taxes imposed by this chapter shall be collectible together with any interest and penalties thereon, by suit.

The City Auditor is authorized, in addition to his other duties, to institute civil law suits to collect delinquent taxes due and owing the City by virtue of the provisions of this chapter. The City Auditor is authorized to waive penalties and interest and compromise tax liability and has the right to accept waiver of the State statutes of limitation.

191.14 VIOLATIONS.

Any person subject to the provisions of this chapter who fails, neglects or refuses to make any return or declaration; any employer who fails, neglects or refuses to deduct and withhold the taxes or pay the taxes imposed by this chapter; any taxpayer who fails, neglects or refuses to pay the tax, interest and penalties imposed by this chapter; any person who refuses to permit the City Auditor or his duly authorized agent or employee to examine the books, records and papers of a taxpayer; or any person who knowingly makes an incomplete, false or fraudulent return, or who attempts to do anything whatever to avoid the payment of the whole or any part of the tax imposed by this chapter shall be subject to the penalty provided in Section 191.99.

The failure of an employer or taxpayer to receive or procure a return or declaration form, shall not excuse him from making a return or declaration or paying the tax levied under this chapter.

191.15 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY.

Every individual taxpayer who resides in the City but who received net profits, salaries, wages, commissions or other compensation for work done or services performed or rendered outside of the City, if it is made to appear that he has paid a municipal income tax or excise tax based on income on such net profits, salaries, wages, commissions or compensation in another municipality, shall be allowed a credit for the amount paid by him or in his behalf in such other municipality. The credit shall not exceed the tax assessed by this chapter on such income earned in the other municipality where such tax is paid.

191.16 EXEMPTIONS.

The provisions of this Chapter shall not be construed as levying a tax upon the following:

- A. Proceeds from welfare benefits, unemployment insurance benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service.
- B. Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damages for loss of profits and wages.
- C. Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
- D. 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).
- E. Alimony.

- F. Compensation for damage to property by way of insurance or otherwise.
- G. Intangible income as defined in Section 191.01 (P).
- H. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the Ohio national guard.
- I. Income of any religious, fraternal, scientific, literary or educational institutions is exempt only to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.
- J. Personal earnings of any natural person under eighteen years of age.
- K. The rental value of a home furnished to a minister of the gospel as part of his compensation, or the rental allowance paid to a minister of the gospel as part of his compensation, to the extent used by him to rent or provide a home pursuant to section 107 of the Internal Revenue Code.
- L. Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually. Such compensation in excess of one thousand dollars may be subjected to taxation. The payer of such compensation is not required to withhold Municipal tax from that compensation.
- M. Compensation paid to an employee of a transit authority, regional transit authority, or a regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through the Municipality, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such tax by reason of residence or domicile in the Municipality, or the headquarters of the authority or commission is located within the Municipality.
- N. The Municipality shall not tax the compensation paid to a nonresident individual for personal services or work performed by the individual in the Municipality on twelve (12) or fewer days in a calendar year unless one of the following applies:
 1. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services performed on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.
 2. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such a promoter, all as may be reasonably defined by the Municipality.

O. The income of a public utility, when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745. of the Ohio Revised Code:

1. The income of an electric company or combined company;
2. The income of a telephone company.

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

P. An S Corporation shareholder’s distributive share of net profits or losses of the S Corporation.

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

191.17 CONTRACT PROVISIONS.

No contract on behalf of the City for works or improvements of the City shall be binding or valid unless the contract contains the following provisions:

"Such hereby further agrees to withhold all City income taxes due or payable under the provisions of Chapter 191 of the Codified Ordinances of the City of Reynoldsburg, for wages, salaries and commissions paid to its employees and further agrees that any of its subcontractors shall be required to agree to withhold any City income taxes due under such chapter for services performed under this contract."

191.18 INTEREST AND PENALTIES.

All taxes imposed by this chapter and remaining unpaid after they become due shall bear interest, in addition to the amount of the unpaid tax, at the rate of eighteen percent (18%) per year, and the taxpayers upon whom such taxes are imposed shall be liable, in addition thereto, to a penalty of ten percent (10%) of the amount of the unpaid tax.

A penalty shall not be assessed on an additional tax assessment made by the City Auditor when a return has been filed in good faith and the tax paid thereon within the time prescribed by the City Auditor. In the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a Federal audit, provided an amended return is filed and the additional tax is paid within three months after final determination of the Federal tax liability.

191.181 INTEREST OF UNPAID TAXES WITHHELD.

All taxes deducted by an employer or required to be deducted and withheld by an employer and remaining unpaid after they become due pursuant to Section 191.07 A, B, C or D shall bear interest on the amount of such unpaid taxes at the rate of eighteen percent (18%) per annum and in addition a penalty of ten percent (10%) of the amount of the unpaid taxes.

191.19 ALLOCATION OF FUNDS.

The funds collected under the provisions of this chapter shall be deposited in the Income Tax Revenue Fund and such Fund shall be disbursed for the following purposes and in the following order:

- A. Such part thereof as shall be necessary to defray all costs of collecting and administering the taxes levied by this chapter, including any amounts to be paid to any person or governmental agency under any contract for the administration of such taxes, and the cost of administering the Department of Taxation and enforcing the provisions thereof. One half percent (1/2%) of the funds shall remain in the Income Tax Revenue Fund of the City to be put into the City's Contingency Reserve.

After providing for the requirements in division A, the remaining funds shall be distributed for the following purposes and in the following order:

- B.
 - 1. Eighty-four percent (84%) of the Fund shall be transferred into the General Fund of the City to be reappropriated by Council for any lawful purpose.
 - 2. Fourteen percent (14%) of the Fund shall be transferred into the General Debt Retirement Fund to be used for general debt retirement.
 - 3. Two percent (2%) of the Fund shall be transferred into the Capital Improvement Fund which shall be used to defray all or part of the costs of legal improvements as determined by Council.

Any and all monies residing in the Income Tax Fund after providing for the requirements set forth above shall be expended only upon a legislative transfer to the General Fund. Such transfers shall be solely for the purpose of making revenue available for expenditures necessary to continue basic City services during times of economic recession or unexpected revenue loss.

191.20 BOARD OF REVIEW: APPEALS.

- A. A Board of Review, to be known as "The Income Tax Board of Review" is hereby created to hear appeals filed by taxpayers or employers and is hereby empowered to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this chapter. The Board shall consist of three members to be appointed as follows: one

member to be appointed by the Mayor; one member to be appointed by majority vote of Council; and one member to be appointed by the City Auditor. Each member shall hold office for a term of three years.

- B. Any person who is aggrieved by a decision by the Tax Administrator and who has filed the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision, may appeal the decision to the Board. An appeal from a ruling by the Administrator by a taxpayer or employer is effected by filing a notice of appeal in writing, stating why the decision should be deemed incorrect or unlawful, with the Board at the Division of Taxation within thirty calendar days after the announcement by the Administrator's written ruling or written decision from which the appeal is taken. Interest and penalties are stayed during appeal.
- C. Hearings requested by a taxpayer before the Income Tax Board of Review are not meetings of a public body. The Board shall keep a record of its transactions. Such records shall be maintained at the Division of Taxation and are not public records available for inspection. Furthermore, the provisions of Section 191.12 shall apply to any hearing before the Board.
- D. The Board shall schedule a hearing within forty-five days after receiving the request, unless the taxpayer waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board and may be represented by an attorney, certified public accountant or other representative. The City Auditor and/or the Tax Administrator shall present evidence in support of any ruling or decision on which an appeal is based.
- E. The Board may affirm, reverse or modify the Tax Administrator's decision or any part of that decision. The Board shall issue a decision of the appeal within ninety days after the Board's final hearing on the appeal, and send notice of its decision by ordinary mail to the petitioner within fifteen days after issuing the decision. The taxpayer or the Tax Administrator may appeal the Board's decision as provided in Section 5717.011 of the Ohio Revised Code.

191.99 PENALTY.

- A. Whoever divulges confidential information in violation of Section 191.12 is guilty of a misdemeanor of the third degree. Each disclosure shall constitute a separate offense. Violations shall result in immediate termination of employee.
- B. Whoever violates any provisions of Section 191.14 is guilty of a misdemeanor of the third degree. Each subsequent violation of this type may result in a misdemeanor in the first degree. A misdemeanor of the third degree may result in a five hundred dollar (\$500.00) fine or sixty days in jail, or both. A misdemeanor in the first degree may result in a one thousand dollar (\$1,000.00) fine or six months in jail, or both. Failure or refusal to file a City income tax return each year, shall result in the taxpayer or employer becoming liable to a twenty-five dollar (\$25.00) penalty

whether or not a tax is due the City. This penalty is in addition to penalties and interest assessed due to late filing.