

## TITLE NINE - Taxation

## Chap. 181. Income Tax.

*Chap. 143. Motor Vehicle License Tax*CHAPTER 181  
Income Tax

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## CROSS REFERENCES

Payroll deductions - see Ohio R. C. 9.42

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

State income taxes - see Ohio R. C. Ch. 5747

## 181.01 DEFINITIONS.

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

- (a) "Taxpayer" means a person, whether an individual, partnership, limited partnership, corporation, association or other entity, required hereunder to file a return or to pay a tax hereunder.
- (b) "Association" means a partnership, limited partnership, or any other form of unincorporated enterprise, owned by two or more persons.
- (c) "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, limited partnership, corporation, association or any other entity.

- (d) "Corporation" means a corporation or joint stock association organized under the laws of the United States, the States of Ohio, or any other State, territory, foreign country or dependency.
- (e) "Employee" means an individual who works for wages, salary, commission or other type of compensation in the service of an employer.
- (f) "Employer" means an individual, partnership, limited 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.
- (g) "Fiscal year" means an accounting period of twelve months or less ending on any day other than December 31.
- (h) "Gross receipts" means the total income from any source whatsoever.
- (i) "Net profits" means a net gain from the operation of a business, profession, enterprise or other activity after provision for all ordinary and necessary expenses either paid or accrued in accordance with the accounting system used by the taxpayer for Federal income tax purposes without deduction of taxes imposed by this chapter, Federal, State and other taxes based on income but subject to adjustment in accordance with the Rules and Regulations adopted by Council, or and in the case of an association, without deduction of salaries paid to partners and other owners.
- (j) "Nonresident" means an individual, partnership, limited partnership, corporation, association or other entity domiciled outside the City.
- (k) "Officer" means the officer or person having control or supervision of and charged with the responsibility of filing tax returns or withholding reports. Signature on return is prima facie evidence that the person has the responsibility for filing and paying tax due.
- (l) "Other compensation" means payment for service rendered, lottery winnings, winnings from horse racing and other forms of wagering and all non-monetary compensation from any source whatsoever.
- (m) "Resident" means an individual domiciled in this Municipality.
- (n) "Resident unincorporated business entity" means an unincorporated business entity having an office or place of business within this Municipality.
- (o) "Taxable year" means the calendar year or the fiscal year upon the basis of which net profits are to be computed under this chapter and, in the case of a return for a fractional part of a year, the period for which such ratio is required to be made.
- (p) "Taxpayer" means a person, whether an individual, partnership, association or any corporation or other entity, required hereunder to file a return or a tax.

(Ord. 1588. Passed 10-24-85.)

**181.02 IMPOSITION OF TAX.**

(a) To provide funds for the purpose of general Municipal operations, maintenance of equipment, new equipment, extension, enlargement and improvements of Municipal services and facilities and capital improvements of the City, there be and hereby is levied a tax upon the earnings at the rate of one percent (1%) upon the following:

- (1) On all salaries, wages, commissions, and other compensation earned on and after January 1, 1974, by resident individuals of the City.
- (2) On all salaries, wages, commissions and other compensation earned on and after January 1, 1974, by nonresident individuals of the City for work done or services performed or rendered in the City.
- (3) On the net profits attributable to Uhrichsville, earned on and after January 1, 1974, of all resident unincorporated businesses, professions and other activities derived from work done or services rendered or performed and business or other activities conducted in the City.
- (4) On the portion of the distributive share of the net profits earned on and after January 1, 1974, of a resident individual, partner or owner of a resident unincorporated business entity attributable to Uhrichsville and not levied against such unincorporated business entity.
- (5) On the net profits attributable to Uhrichsville earned on and after January 1, 1974, of all nonresident unincorporated businesses, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City.
- (6) On the portion of the distributive share of the net profits earned on and after January 1, 1974, of a resident individual, partner or owner of a nonresident unincorporated business entity not attributable to Uhrichsville and not levied against such unincorporated business entity.
- (7) On the net profits earned on and after January 1, 1974, of all corporations derived from work done or services performed or rendered and business or other activities conducted in the City.
- (8) The portion of the net profits attributable to the City or a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio R. C. 718.02 and in accordance with the Rules and Regulations adopted by Council pursuant to this chapter.  
(Ord. 1205. Passed 11-12-73.)

(b) To provide funds for the purpose of the general Municipal operations, maintenance of equipment, new equipment, extension, enlargement and improvement of Municipal services and facilities and capital improvements of the City, there be and hereby is levied an additional tax upon the earnings at the rate of three-fourths percent (.75%). This tax is in addition to the one percent (1%) income tax levied under subsection (a) hereof, and is on the following;

- (1) On all salaries, wages, commissions, and other compensation earned on and after July 1, 1983, by resident individuals of the City.
- (2) On all salaries, wages, commissions and other compensation earned on and after July 1, 1983, by nonresident individuals of the City for work done or services performed or rendered in the City.
- (3) On the net profits attributable to Uhrichsville, earned on and after July 1, 1983, of all resident unincorporated businesses, professions and other activities derived from work done or services rendered or performed and business or other activities conducted in the City.
- (4) On the portion of the distributive share of the net profits earned on and after July 1, 1983, of a resident individual, partner or owner of a resident unincorporated business entity attributable to Uhrichsville and not levied against such unincorporated business entity.
- (5) On the net profits attributable to Uhrichsville earned on and after July 1, 1983, of all nonresident unincorporated businesses, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City.
- (6) On the portion of the distributive share of the net profits earned on and after July 1, 1983, of a resident individual, partner or owner of a nonresident unincorporated business entity not attributable to Uhrichsville and not levied against such unincorporated business entity.
- (7) On the net profits earned on and after July 1, 1983, of all corporations derived from work done or service performed or rendered and business or other activities conducted in the City.
- (8) The portion of the net profits attributable to the City or a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City of Uhrichsville shall be determined as provided in Ohio R. C. 718.02 and in accordance with the Rules and Regulations adopted by Council pursuant to this chapter.  
(Ord. 1499. Passed 3-21-83.)

#### 181.03. EFFECTIVE DATES.

(a) The one percent (1%) tax levied by Section 181.02(a) shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after January 1, 1974, and with respect to the net profit of businesses, professions and other activities earned on and after January 1, 1974. Provided, however, that where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to that part of the net profit for the fiscal year as shall be earned on and after January 1, 1974, to the close of the taxpayer's fiscal year; thereafter the taxpayer shall report on its fiscal year basis.

(Ord. 1205. Passed 11-12-73.)

(b) The three-fourths percent (.75%) tax levied by Section 181.02(b) shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after July 1, 1983, and with respect to the net profit of businesses, professions and other activities earned on and after July 1, 1983. Provided, however, that where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to that part of the net profit for the fiscal year as shall be earned on and after July 1, 1983, to the close of the taxpayer's fiscal year; thereafter the taxpayer shall report on its fiscal year basis.  
(Ord. 1499. Passed 3-21-83.)

#### 181.04 RECIPROCITY.

Every individual taxpayer who resides in the City but who receives net profits, salaries, wages, commissions or other personal service compensation, for work done, or services performed or rendered outside of the City, if it be made to appear that he has paid a Municipal income tax on such net profits, salaries, wages commissions or other compensation to another municipality, shall be allowed a credit against the tax imposed by this chapter of the amount so paid by him or in his behalf to such other municipality. The credit shall not exceed the tax assessed by this chapter on such net profit, salary, wages, commissions or compensation earned in such other municipality or municipalities where such tax is paid.  
(Ord. 1205. Passed. 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.05 ADMINISTRATION.

(a) The City Treasurer shall receive the tax imposed by this chapter in the manner prescribed herein from the taxpayers; keep an accurate record thereof; and report all moneys so received. All cashiers handling tax moneys shall be subject directly to the City Treasurer and shall give daily accounting to the City Treasurer.

(b) The City Auditor shall enforce payment of all taxes owing the City; keep accurate records for a minimum of five years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld; and show the dates and amounts of payments thereof.

(c) The City Auditor is hereby charged with the enforcement of the provisions of this chapter and to enforce the rules and regulations of Council, relating to any matter or thing pertaining to the collection of City income taxes and the administration and enforcement of the provisions of this chapter, including provisions for the examination and correction of returns and payments.

(d) In any case where a taxpayer has failed to file 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.

(e) Subject to the consent of the Board of Review or pursuant to regulations approved by Council, the City Auditor shall have the power to compromise any interest or penalty, or both, imposed by this chapter.

(f) A Department of Taxation is hereby created within the Office of the City Auditor. Such department of taxation shall have such deputies, clerks and other employees as may be from time to time determined by Council, and shall receive such salary as may be determined by Council. The City Auditor shall recommend all appointments of personnel and purchase all equipment, supplies and material for the Department of Taxation subject to the approval of Council. The Department of Taxation shall be charged with the administration and operation of this chapter, under the direction of the City Auditor. The City Auditor shall prescribe the form and method of accounts and reports for such department, as well as the forms for taxpayer's returns and declarations, and shall be charged with the internal examination and audit of all such accounts and shall exhibit accurate records showing the amount received from each taxpayer, and the date of the receipt. The City Auditor shall also make written report to Council annually of all moneys collected hereunder during the preceding year.  
(Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.06 INVESTIGATIVE POWERS OF THE CITY AUDITOR; PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION.

(a) The City Auditor or their duly authorized agent or employee, is hereby authorized to examine the books, papers and records of any employer, or of any taxpayer or person subject to the tax, or believed to be 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 due. Every such employer, supposed employer, taxpayer or supposed taxpayer, is hereby directed and required to furnish to the City Auditor or their duly authorized agent or employee, within ten days following a written request by the City Auditor or their duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigations as are hereby authorized.

(b) The City Auditor, or his duly authorized agent or employee, is hereby authorized to examine any person, employer, or employee under oath, concerning any income which was or should have been returned for taxation, and for this purpose may compel the production of books, federal income tax records, papers and records and the attendance of all persons before him whether as parties or witnesses, wherever he believes such persons have knowledge of such income.

(c) 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 tax by any officer, agent or employee of a person subject to the tax or required to withhold tax or the failure of any person to comply with the provisions of this section or with any order or subpoenas of the City Auditor authorized hereby shall be deemed a violation of this ordinance, punishable as provided in Section 181.99

(d) Tax returns, investigations, hearings and all audit papers and information connected therewith are confidential and shall be carefully preserved so that they shall not be available for inspection by anyone other than the proper agents of the City for official purposes.

(e) Any information gained as the result of the filing of any tax returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, except for official purposes and except in accordance with proper judicial order. Any person divulging such information shall upon conviction thereof be deemed guilty of a misdemeanor and shall be subject to a fine or penalty of not more than five hundred dollars (\$500.00) or imprisoned for not more than six months or both. Each disclosure shall constitute a separate offense. In addition to the above penalties, any employee of the City who violates the provisions of this section relative to disclosures of confidential information shall be immediately dismissed from the service of the City.  
(Ord. 1588. Passed 10-24-85.)

#### 181.07 INTEREST AND PENALTIES ON UNPAID TAX.

(a) Interest on Unpaid Tax. All taxes imposed and all moneys 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 one half percent (1 1/2 %) per month or fraction thereof.

(b) Penalties on Unpaid Tax. In addition to interest penalties based on the unpaid tax are hereby imposed as follows:

- (1) For failure to pay taxes due other than taxes withheld, one and one-half percent (1 1/2 %) per month or fraction thereof.
  - (2) The minimum penalty for failure to file an annual return shall be twenty-five dollars (\$25.00)
  - (3) For failure to pay taxes withheld from employees; five percent (5 %) per month or fraction thereof.
- (Ord. 1711. Passed 8-24-89.)

#### 181.08 ALLOCATION OF FUNDS.

(a) One hundred percent (100%) of all the monies generated pursuant to the one percent (1%) income tax are to be deposited entirely in the General Fund of the City of Uhrichsville, as soon as practicable, but beginning no later than with the collection of income tax in 1998. (Ord. 1-98. Passed 1-22-98.)

(b) The funds collected under the provisions of Section 181.02(b) shall be deposited in a Special Income Tax Fund and the funds collected for the tax period of July 1, 1983, until such time as this section is amended in the following order, to-wit;

- (1) Fifty percent (50%) General Operation.
- (2) Fifty percent (50%) Capital Improvements.

This allocation in no way affects allocation as set forth in subsection (a) hereof.  
(Ord. 1499. Passed 3-21-83.)

#### 181.09 BOARD OF REVIEW.

(a) A Board of Review, consisting of three electors of the City, one to be appointed by the Mayor, one to be appointed, by the City Treasurer, and the third to be selected by the two so appointed, is created by this chapter. No member shall be appointed to the Board of Review who holds other public office or appointment. The members of the Board of Review shall serve without pay.

(b) A majority of the members of the Board of Review shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions.

(c) All hearings of the Board shall be conducted privately and the provisions of Section 181.06 with reference to the confidential character of information required to be disclosed by the income tax ordinance shall apply to such matters as may be heard before the Board on appeal.

(d) Any person dissatisfied with any ruling or decision of the City Auditor which is made under the authority conferred by this chapter and the rules and regulations related thereto may appeal therefrom to the Board of Review within thirty days from the announcement of such ruling or decision by the City Auditor and the Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof.

(e) Any person dissatisfied with any ruling or decision of the Board of Review may appeal therefrom to a court of competent jurisdiction within thirty days from the announcement of such ruling or decision.

(f) The Board of Review, as created, shall serve during the life of this chapter.  
(Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.10 APPLICABILITY.

This chapter shall not apply to any person, firm corporation or to any property as to whom or which it is beyond the power of the Council to impose the tax herein provided for.  
(Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.11 EXEMPTIONS.

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

- (a) Funds received from local, state or federal governments because of service in the Armed Forces of the United States by the person rendering such service, or as a result of another person rendering such service.
- (b) Poor relief, pensions, social security, unemployment compensation and disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations.



- (c) Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations.
- (d) Receipts from casual entertainment, amusements, sports events and health and welfare activities conducted by bona fide charitable, religious and educational organizations and associations.
- (e) Any association, organization, corporation, club or trust, which is exempt from federal taxes on income by reason of its charitable, religious, educational, literary, scientific, etc., purposes.
- (f) Gains from involuntary conversions, cancellation of indebtedness, interest on Federal obligations, items of income already taxed by the State from which 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).
- (g) Earnings and income of all person under eighteen years of age, whether residents or nonresidents.

(Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.12 REFUNDS.

(a) Should it appear that any taxpayer has paid more than the amount of the tax to which the City is entitled under the provisions of this chapter, a refund of the amount so overpaid shall be made, provided a proper claim for refund of such overpayment of tax has been filed by the taxpayer, or same may be applied toward the declaration of tax due for the ensuing year. Claims for refunds shall be made on forms prescribed by and obtainable from the City Auditor.

(b) All applications for refunds shall be made within three years of the due date of a final return.

(Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.13 EFFECTIVE PERIOD.

This chapter shall continue effective insofar as the levy of taxes is concerned until repealed. This chapter, insofar as the collection of taxes levied in the aforesaid period, and actions or proceedings for collecting any tax so levied, or enforcing any provisions of this chapter are concerned, shall continue effective until all of such taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of the taxes or for the punishment of violations of this chapter shall have been fully terminated.

(Ord. 1205. Passed. 11-12-73; Ord. 1499. Passed 3-21-83.)

#### 181.99 PENALTY.

(a) The following shall be considered violations of this chapter:

- (1) Failing, neglecting or refusing to make any return or declaration required by this chapter; or
- (2) Making any incomplete, false or fraudulent return; or
- (3) Failing, neglecting or refusing to pay the tax, penalties or interest imposed by this chapter; or

- (4) Failing, neglecting, or refusing to withhold to the City Auditor; or
- (5) Refusing to permit the City Auditor or any duly authorized agent or employee to examine books, records and papers and Federal income tax returns relating to the income or net profits of a taxpayer; or
- (6) Failing to appear before the City Auditor and to produce books, records, Federal income tax returns and papers relating to the income or next profits of a taxpayer under order or subpoena of the City Auditor; or
- (7) Refusing to disclose to the City Auditor any information with respect to the income or net profits of a taxpayer; or
- (8) Failing to comply with the provisions of this chapter or any order or subpoena of the City Auditor authorized hereby; or
- (9) Attempting to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter.

(b) Any person who violated any of the provisions of subsection (a) hereof shall be guilty of a misdemeanor of the first degree, and shall be fined not more than one thousand dollars (\$1,000.00) and jailed not more than 180 days.

(c) The failure of any employer or taxpayer or person to receive or procure a return, declaration or other required form shall not excuse him from making any information return or declaration, from filing such form, or from paying the tax. (Ord. 1205. Passed 11-12-73; Ord. 1499. Passed 3-21-83; Ord. 28-93. Passed 12-28-93.)

# RECORD OF RESOLUTIONS

19

Uhrichsville

Resolution No. 1157

Passed November 12, 1973

Title: A RESOLUTION ADOPTING RULES AND REGULATIONS UNDER THE AUTHORITY OF SECTION 5, CITY OF UHRICHSVILLE INCOME TAX ORDINANCE NO. 1205.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF UHRICHSVILLE, OHIO, THREE-FOURTHS OF THE MEMBERS CONCURRING, AND DECLARING AN EMERGENCY:

## ARTICLE I-1 DEFINITIONS

For the purpose of these Regulations the following terms shall have the definitions hereafter given:

(A) The definitions of the terms "Taxpayer", "Association", "Business", "Corporation", "Employee", "Net Profit", "Employer", "Non-Resident", "Person", "Resident", "Other Entity" shall be the same as set forth in Section 1 of the City of Uhrichsville Ordinance No. 1205

(B) The term "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.

A taxpayer does not have a regular place of business outside Uhrichsville solely by consigning goods to an independent factor or contractor outside the City for sale.

(C) The term "Business Allocation Percentage", as used in these Regulations, means the average percentage arrived at by applying the formula set forth in Section 2, subsection H of the Ordinance. The "Business Allocation Percentage" is the percentage which may be applied to determine the portion of the entire net profits or a taxpayer to be allocated as having been made within the City of Uhrichsville within the meaning of the provisions of said Section 2.

(D) The term "The Ordinance" means Ordinance No. 1205 enacted by the Council of the City of Uhrichsville on November 12, 1973 and any amendments or supplements thereto.

The singular shall include the plural and the masculine shall include the feminine and the neuter.

## ARTICLE I-2 COMMENCEMENT AND DURATION OF THE TAX

The tax imposed by the Ordinance is effective as to income and profits earned or accruing on and after January 1, 1974, and payroll deductions must be made against all salaries, wages, commissions, bonuses and other compensation earned or accruing on

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Passed .....19.....

and after that date.

The Ordinance continues effective insofar as the levy of taxes is concerned until repealed.

ARTICLE II-1  
IMPOSITION OF TAX - RESIDENT EMPLOYEES

In the case of the residents of the City of Uhrichsville an annual tax of one percent (1%) is imposed on all salaries, wages commissions and other compensation earned or accrued on and after January 1, 1974. For the purpose of determining the tax on the earnings of the resident taxpayers, taxed under sub-section A of Section 2 of the Ordinance, the source of the earnings and the place or places in or at which the services were rendered are immaterial. All such earnings, wherever earned or paid, are taxable.

The following are items which are subject to the tax:

(A) Salaries, wages, bonuses or incentive payments received by an individual, whether directly or through an agent and whether in cash or in property, for services rendered on and after January 1, 1974.

- (1) As an officer, director or employee of a corporation, (including charitable and other non-profit corporations), joint stock association or joint stock company;
- (2) As an employee (as distinguished from a partner or member) of a partnership, limited partnership, or any other form of unincorporated enterprise owned by one or more persons;
- (3) As an employee (as distinguished from the proprietor) of a business, trade or profession conducted by an individual owner;
- (4) As an officer or employee (whether elected, appointed or commissioned) of a governmental administration, agency, arm, authority, board, body, branch, bureau, department, division, subdivision, section or unit of the State of Ohio or any of the political subdivisions thereof;
- (5) As an officer or employee (whether elected, appointed or commissioned) of a governmental administration, agency, arm, authority, board, body, branch, bureau, department, division, subdivision, section or unit of the United States Government or of a corporation created and owned or controlled by the United States Government or any of its agencies;
- (6) As an employee of any other entity or person.

(B) Wages, bonuses, or incentive payments received by an individual whether directly or through an agent and whether in cash or in property, for services rendered on and after January 1, 1974.

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(1) Whether based upon hourly, daily, weekly, semi-monthly, monthly, annual, unit of production or piece-work rates;

(2) Whether paid by an individual, limited partnership, partnership, association, corporation (including charitable and other non-profit corporations), governmental administration, agency, arm, authority, board, body, branch, department, division, subdivision, section or unit, or any other entity.

(C) Commissions received by a taxpayer whether directly or through an agent and whether in cash or in property, for services rendered on and after January 1, 1974, regardless of how computed, by whom or wheresoever paid.

If amounts received as a drawing account exceed the commissions earned, the tax is payable on the gross amounts received.

Amounts received from an employer by way of expenses and not be way of compensation, and used as such by the individual receiving them, are not deemed to be compensation if the employer deducts such expense advances as such from his gross income for the purpose of determining his net profits taxable under the Ordinance.

If such commissions are included in the net earnings of a trade business, profession, enterprise or activity regularly carried on by such individual and therefore subject to tax under Sub-section C of Section 2 of the Ordinance, they shall not again be separately taxed. In such case, such net earnings shall be taxed as provided in Article II-9 of the Regulations.

(D) The receipt of fees and other compensation for personal services rendered shall be deemed to be subject to taxation under the Ordinance.

(E) Domestic servants are subject to Uhrichsville tax under this Ordinance but are not subject to withholding provisions. That is to say, the domestic will report earnings and pay the tax directly to the Uhrichsville Income Tax Department.

## ARTICLE II-2 IMPOSITION OF TAX - NON-RESIDENTS

In the case of individuals who are non-residents of Uhrichsville, there is imposed under the Ordinance an annual tax of one percent (1%) on all salaries, wages, commissions and other compensation, earned or accruing on and after January 1, 1974, for work done or services performed or rendered within the City of Uhrichsville, whether such compensation or remuneration is received or earned directly or through an agent and whether paid in cash or in property.

The items subject to tax under this section are the same as those listed and defined in Article II-1. For methods of computing the extent of such work or service performed within the City of Uhrichsville, and cases involving compensation for personal services partly within and partly outside the City of Uhrichsville, see Article IV-1.

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Uhrichsville

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ARTICLE II - 3  
IMPOSITION OF TAX  
NET BUSINESS PROFITS - RESIDENTS

1. In the case of trades, businesses, professions, other activities, enterprises or undertakings conducted, operated, engaged in, prosecuted or carried on by residents of Uhrichsville there is imposed an annual tax of one percent on the net profits earned or accruing on and after January 1, 1974.

2. For the purpose of construing Sub-section (C) and (D) of Section 2 of the Ordinance, the term "Residents" in the phrase "conducted by residents of the City of Uhrichsville" will ordinarily be construed to have reference to the business entity itself, as distinguished from the partners, proprietors or other participants in its profits.

3. Generally, a partnership, association or other unincorporated enterprise owned by two or more persons will be taxed as an entity. However, in the case of a non-resident partnership, association or unincorporated enterprise which cannot be reached or taxed directly by the City of Uhrichsville, or if only part of its earnings may be directly taxed, then in either such case, resident partners, co-owners, proprietors or other participants in the profits thereof must include in their declaration and tax return or returns their distributive shares of such profits, or portion thereof not taxed to the business enterprise as an entity, and must pay the tax thereon.

4. The tax imposed under Section 2 (C) of the Ordinance is levied upon the entire net profits of the resident trade, business, profession, other activity, enterprise, or undertaking, wherever earned, paid or accrued and regardless of the fact that any part of such business or professional activity may have been conducted at or through a place or places of business located outside the City of Uhrichsville.

ARTICLE II-4  
IMPOSITION OF TAX  
NET BUSINESS PROFITS - NON-RESIDENTS

1. In the case of a non-resident individual, partnership, association, fiduciary or other entity (other than a corporation) engaged in the conduct, operation or prosecution of any trade, business, profession, enterprise, undertaking or other activity, there is imposed an annual tax of one percent (1%) on the net profits (earned or accruing on and after January 1, 1974) of such trade, business, profession, enterprise, undertaking, or other activity if, and to the extent, conducted in or derived from activity in Uhrichsville.

2. A non-resident entity within the meaning of Sub-section (E) of Section 2 of the Ordinance which has a branch or branches, office or offices and/or store or stores, warehouse, or other place or places in which the entity's business is transacted, located in the City of Uhrichsville, shall be considered to be conducting, operating, prosecuting, or carrying on a trade, business, profession, enterprise, undertaking or other activity to the full extent of the sum total of all transaction originating or consummated in, by or through such Uhrichsville branch, office, store, warehouse, or other place of business, including (a) billings made on such transactions, or (b) services rendered, or (c) shipments made, or (d) goods, chattels, merchandise, etc, sold, or (e) commissions, fees or other remuneration or payments earned.

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3. In the case of the partnership, association, or other unincorporated business owned by one or more persons the tax, generally, shall be upon said partnership, association, or business enterprise as an entity and not ordinarily upon the partners or members thereof. However, the provisions of Article II-3 are applicable to render taxable against such resident partners or members their distributive share of any profits of such non-resident entity not taxable under this Ordinance.

4. In determining the proportion or amount of the taxable net profits of a non-resident business entity having a place or places of business within and outside Uhrichsville, such business entity may at its option use and apply the Business Allocation Percentage Formula set forth in Section 2, Sub-section H of the Ordinance. For explanation of Formula, see Article II-6.

## ARTICLE 11-5 IMPOSITION OF TAX NET BUSINESS PROFITS - CORPORATIONS

1. In the case of a corporation doing business in Uhrichsville, whether domestic or foreign, and whether domiciled in Uhrichsville, or elsewhere, there is imposed an annual tax of one percent (1%) on that part of the net profits (earned or accruing on and after January 1, 1974) of such corporations, which is earned by such corporations as a result of work done or services performed or rendered and business or other activities conducted in the City of Uhrichsville.

2. The provisions of Paragraph 2 of Article 11-4 of these regulations are applicable to such corporations.

3. A corporation doing business both within and outside the City of Uhrichsville may, in determining the part of the net profits which are taxable under the Ordinance, at its option:

(A) Use the usual accounting system of the taxpayer corporation, so long as said usual accounting system shall be one acceptable to the Federal Internal Revenue Department as evidenced by acceptance and approval of income tax returns filed thereon or

(B) Use the Business Allocation Percentage Formula set forth in Section 2, subsection H of the Ordinance.

## ARTICLE 11-6 BUSINESS ALLOCATION PERCENTAGE

1. At the option of a corporate taxpayer or of a non-resident business entity, such taxpayers may, but are not obliged to, use the formula set forth in Section 2 of the Ordinance to compute the percentage of their entire net profits (derived from activities both within and outside the City of Uhrichsville) which is taxable under the Ordinance, and to determine the tax payable to the City of Uhrichsville thereunder.

If the taxpayer did not have a place of Business outside Uhrichsville during the period covered by any declaration and/or return required under the Ordinance, its business allocation percentage is 100 percent; in other words the taxpayer is required to pay a tax of one percent on the entire net profits of the business.

If the taxpayer had a place or places of business outside Uhrichsville and was doing business in Uhrichsville during such period, the business allocation percentage shall be computed on the basis as set forth in Section 2, subsection H of the Ordinance.

The business allocation percentage is computed by determining the percentages (a) which Uhrichsville real and tangible personal property bears to all real and tangible personal property (including

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that situated in Uhrichsville) of taxpayer wheresoever situated; (b) which Uhrichsville business sales bear to taxpayer's entire business sales wheresoever derived (including those derived from Uhrichsville); and (c) which payrolls paid by taxpayer within Uhrichsville bear to taxpayer's entire payroll wheresoever paid (including Uhrichsville payrolls) adding together the three percentages so arrived at, and dividing the total by three.

However, if one of the factors (property, sales or payrolls) is missing, the other two percentages are added and the sum is divided by two, and if two of the factors are missing, the remaining percentage is the business allocation percentage.

## EXAMPLE 1:

Corporation having places of business in Uhrichsville, Detroit and Cleveland.

Uhrichsville real and tangible personal property \$10,000. All real and personal property (Uhrichsville, Detroit and Cleveland) \$100,000. Percentage: 10%

Uhrichsville sales \$15,000. All sales \$75,000. Percentage: 20%

Uhrichsville payroll \$6,000. All payroll \$20,000. Percentage: 30%

Business Allocation Percentage:

$$\frac{10\% \text{ plus } 20\% \text{ plus } 30\%}{3} \text{ equal } 20\%$$

## EXAMPLE 2:

Same corporation owning no real or tangible personal property anywhere. Uhrichsville sales \$15,000. All sales \$75,000. Percentage: 20%

Uhrichsville payroll \$6,000. All payroll \$20,000. Percentage: 30%

Business Allocation Percentage:

$$\frac{20\% \text{ plus } 30\%}{2} \text{ equal } 25\%$$

## EXAMPLE 3:

Same corporation owning real and tangible personal property in Uhrichsville valued at \$10,000 and owning no real or tangible personal property outside Uhrichsville. Other factors same as in Examples 1 and 2.

Business Allocation Percentage:

$$\frac{100\% \text{ plus } 20\% \text{ plus } 30\%}{3} \text{ equals } 50\%$$

After determining such business allocation percentage, the tax shall be determined by applying that percentage to the entire net profits of the taxpayer, wherever derived (thus arriving at the taxable net profit), and computing one percent (1%) of the resultant taxable net profit.

In case it shall appear to the City Auditor that any income or capital of the taxpayer is improperly or inaccurately reflected, the City Auditor may adjust items of income, expense, deductions, and capital, and disregard assets in computing any allocation percentage, provided any income directly traceable thereto is also excluded from entire net income, so as equitable to determine the tax.

2. EXPLANATION OF "PROPERTY FACTOR". The percentage of the taxpayer's real and tangible personal property within Uhrichsville is determined by dividing the net book value (during the period covered by the report) of such property within Uhrichsville, without deduction of any encumbrances, by the average net book value similarly computed, of all such property within and without Uhrichsville. Only property owned by the taxpayer is considered in determining such percentage.

3. EXPLANATION OF "SALES FACTOR"



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### 3. EXPLANATION OF SALES FACTOR.

Receipts from the following are allocable to Uhrichsville:

- (A) Work done and performed or service rendered in Uhrichsville.
- (B) Rentals from property situated in Uhrichsville, where the rental of such property is a usual or normal part of the taxpayer's business activity.

(C) For the purpose of determining business allocation percentage, no account shall be given to receipts, within or without Uhrichsville, of income derived from intangibles (including stocks, bonds, royalties and the like) the income of which is taxable under the statutes of the State of Ohio.

(D) Compensation and other receipts for work done or services performed within Uhrichsville are allocable to Uhrichsville and taxable under the Ordinance. All amounts so received, credited or charged by taxpayer in payment for such work or services are so allocable, irrespective of whether done or performed by employees or agents of taxpayer or by any other person. It is immaterial where such amounts were payable or where they were received.

Commissions or fees received by the taxpayer are allocated to Uhrichsville if the services for which the commissions were paid were performed in Uhrichsville. If the taxpayer's services for which commissions or fees were paid were performed for the taxpayer by salesmen or other agents or employees attached to or working out of a Uhrichsville place of business of the taxpayer, the taxpayer's services will be deemed to have been performed in Uhrichsville.

Where a lump sum is received by the taxpayer in payment for services within and without Uhrichsville, the amount attributable to services within Uhrichsville is to be determined on the basis of the relative values of, or amounts of time spent in the performance of, such services within and without Uhrichsville.

(E) Receipts from sale of capital assets (property not held by the taxpayer for sale to customers in the regular course of business) are not business receipts. Receipts from the sale of real property held by the taxpayer as a dealer for sale to customers in the regular course of business are business receipts and are allocable to Uhrichsville if the real property was situated in Uhrichsville. Receipts from sale of intangibles included in business capital, held by the taxpayer as a dealer for sale to customers in the regular course of business, are business receipts and are allocable to Uhrichsville if the sales were made in Uhrichsville or through an regular place of business of the taxpayer in Uhrichsville..

4. PAYROLL FACTOR. The percentage of the taxpayer's payroll allocable to Uhrichsville is determined by dividing the wages, salaries and other personal service compensation of the taxpayer's employees within Uhrichsville during the period covered by the report, by the total amount of compensation of all taxpayer's employees during such period.

Wages, salaries and other compensation are computed on the cash or accrual basis in accordance with the method of accounting used in the computation of the entire net income of the taxpayer.

Employees within Uhrichsville usually includes all employees regularly connected with or working out of a place of business maintained by the taxpayer in Uhrichsville.

However, where an employee performed services both within and without Uhrichsville, the amount treated as compensation for services performed within Uhrichsville shall be deemed to be (a) in the case of an employee whose compensation depends directly on the volume of business secured by him, such as a salesman on a commission basis, the amount received by him for the business attributable to his efforts with Uhrichsville; (b) in the case

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of an employee whose compensation depends on other results achieved, the proportion of the total compensation which the value of his services within Uhrichsville bears to the value of all his services; and (c) in the case of an employee compensated on a time basis, the proportion of the total amount received by him which the working time employed in Uhrichsville bears to the total working time.

#### 5. ADJUSTMENT OF BUSINESS ALLOCATION PERCENTAGE FORMULA.

Generally, the Business Allocation Percentage Formula will result in a fair apportionment of the taxpayer's net profits within and without Uhrichsville. However, due to the peculiar circumstances of certain businesses, the formula may work a hardship in some cases or result in a tax evasion in others, thus not do justice to the taxpayer or the city. Accordingly, in such cases, the City Auditor may substitute factors calculated to bring about a fair and proper allocation in any case where the taxpayer has adopted the optional use of the business allocation percentage formula.

#### ARTICLE II-7

##### ON WHAT EARNINGS OR NET PROFITS TAX FIRST LEVIED

The tax referred to in Article II-1 and II-2 shall first be levied, collected and paid with respect to the salaries, wages, bonuses, incentive payments, commissions, fees and/or other compensation earned on and after January 1, 1974, and to and including until repealed.

The tax referred to in Article II-3, II-4 and II-5 with respect to net profits or trades, businesses, professions, enterprises, undertakings, and other activities shall first be levied, collected and paid with respect to such net profits earned or accrued (in accordance with the regular accounting system of taxpayer as approved by the Director of Internal Revenue) from and after January 1, 1974, and to and including until repealed.

But see Article II-8 for fiscal year returns.

#### ARTICLE II-8 FISCAL YEARS

Where the fiscal year of a trade, business, profession, enterprise, undertaking, and/or other activity differs for the calendar year, the tax shall be applicable to the net profits of the fiscal year, but for the first fiscal year with respect only to such portion thereof as was earned on and after January 1, 1974.

A fiscal year will be recognized only if it has been or may be recognized as such by the Director of Internal Revenue for the purpose of Federal Income Tax.

#### ARTICLE II-9 NET BUSINESS PROFITS

In amplification of the definition of the term "Net Profits" as set forth in Section 1 subsection G of the Ordinance, but not in limitation thereof, the following additional information and requirements respecting net business profits are furnished:

(A) Where necessary to properly reflect income, inventories must be used. The basis of pricing used for the purpose of the Federal Income Tax must in each instance be used.

(B) Where the books and records are kept on an "accrual basis", "long-term contract basis", or "installment basis", and said basis is used in the filing of Federal Income Tax Returns, the same basis must be used for the purpose of this tax.

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(C) If the return is made on a "cash basis", the Gross Profit shall include (1) commissions, fees and interest earned, plus (2) the gross profit or loss from sales of merchandise, chattels, goods, wares, securities, notes, choses-in-action and services, except as herinafter provided.

(D) If the return is made on an "accrual basis", Gross profit shall include (1) commissions, fees and interest earned, plus (2) the gross profit or loss from sales of merchandise, chattels, goods, wares, securities, notes, choses-in-action and services, except as herinafter provided.

m (E) From Gross profits there shall be subtracted allowable expense to arrive at the net profits subject to tax.

(F) All ordinary and necessary expense of doing business, including reasonable compensation paid employees, shall be allowed (but no deduction may be claimed for "salary" or withdrawals of a proprietor or of the partners, members or other co-owners of an unincorporated business or enterprise).

(G) If not claimed as part of the Cost of Goods Sold or elsewhere in the return filed, ther may be claimed and allowed a reasonable deduction for depreciation ... depletion ... obsolescence, losses resulting from theft or casualty not compensated for by insurance or other wise, of property used in the trade or business, but the amount may not exceed that recognized for the purpose of the Federal Income Tax.

(H) Bad debts in a reasonable amount may be allowed in the year ascertained worthless and charged off, but in no event shall the amount allowed exceed the amount recognized as a deduction for the purpose of the Federal Income tax.

(I) Only taxes directly connected with the taxpayer's business may be claimed as a deduction. If for any reason the income from property is not subject to tax, then the tax on and other expenses of said property are not deductible. In any event, the following taxes are not deductible from income:

- (1) The tax under the Ordinance;
- (2) Any federal taxes based upon income;
- (3) Gifts, estate or inheritance taxes, and
- (4) Taxes and/or special assessments for local

benefits or improvements to property which tend to appreciate the value thereof.

(J) Capital gains and losses(including gains or losses from the sale, exchange, or other disposition of depreciable business property, and real property used in the taxpayer's trade or business) shall not be taken into consideration in arriving at Net Profits Earned.

(K) If the taxpayer is a non-resident, only the amount of net profits applicable to the activities of the business in Uhrichsville shall be subjected to tax. If the non-resident taxpayer's records do not disclose the actual net profits for the Uhrichsville branch, office, store, or activity, separately, then the basis of allocation shall be disclosed in the return. If such basis of allocation is not deemed correct, in view of all the known circumstances, the City Auditor will make a reallocation based upon gross receipts or any other basis which shall, under the circumstances of the case, more accurately reflect the net profits.

(L) In general, all business expense recognized and to the extent allowed as such for the purpose of determining Federal Income Tax will be recognized and allowed for ... determining Uhrichsville Income Tax under the provisions of this Ordinance ... However, all expense connected with the acquisition or carrying of securities, the income from which is not recognized as taxable under this Ordinance, may not be deducted in determining taxable net profits hereunder.

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(M) In general, unearned income is not to be included in computing the tax levied hereunder. Income from intangibles ... by way of dividends, interest and the like, should not be included if the property from which such income is derived is subject to taxation under the Intangible Personal Property Tax Laws of the State of Ohio, or is specifically exempted from taxation under said laws.

(N) Rentals received by the taxpayer are to be included only if and to the extent that the rental, ownership, management or operation of the real estate from which such rentals are derived (whether so rented, managed or operated by taxpayer individually or through agents or other representatives) constitutes a business activity of the taxpayer in whole or in part.

Following are the circumstances under which, in any instance, the rental of any real property shall or shall not be deemed to be a "Business Activity";

(1) Where the gross monthly rental of any and all real properties, regardless of number and value, aggregates in excess of \$100 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; provided that in 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 \$100 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 the 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 \$100 per month; and provided further that the person who operates a rooming house shall be considered in business whether or not the gross income exceeds \$100 per month.

(2) In determining the amount of gross monthly rental of any real property, periods during which (by reason of vacancy or any other cause) rentals are not received shall not be taken into consideration by the taxpayer.

(3) Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.

(4) Real property, as the term is used in this Resolution, shall include commercial property, residential property, farm, property, and any and all other types of real estate.

(5) In determining the taxable net income from rentals, the deductible expense shall be of the same nature, extent and amount as are allowed by the Internal Revenue Department for Federal Income Tax purposes.

(6) Residents of Uhrichsville are subject to taxation upon net income from rentals (to the extent above specified) on all properties located in Uhrichsville, and on all properties located outside Uhrichsville, the net income of which is not subject to city income tax in said other community. In the case of residents of Uhrichsville, if the net income of properties located outside Uhrichsville is subject to city income tax in another community, then said net income will not be subject to city income tax in Uhrichsville.

Non-residents of Uhrichsville are subject to such taxation only if the real property is situated within the City of Uhrichsville. Non-residents, in determining whether gross monthly rentals exceed \$100, shall take into consideration only real estate situated within Uhrichsville.

(O) Income ... from royalties or copyrights is not to be included.

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## ARTICLE II-10 RECONCILIATION WITH FEDERAL RETURN

In a form satisfactory to the City Auditor, there shall be submitted with each return filed by a taxpayer subject to the Federal Income Tax, a reconciliation between the amount shown in the return filed with the City Auditor and the business income reported to the Federal Internal Revenue Department

If, as a result of a change made in business income by the Federal Internal Revenue Department, or by a judicial decision an additional amount will result as owing to the City of Uhrichsville, a report of such change shall be filed by the taxpayer within thirty days after receipt of the final notice of such change from the Federal Authorities or after final decision of a Court adjudicating any such Federal Income Tax Liability.

## ARTICLE III RETURN AND PAYMENT OF TAX

1. On or before April 15, 1974, every taxpayer engaged in any business, the net profits of which are subject in whole or in part to the tax imposed by the Ordinance, shall make and file with the City Auditor a final return on a form furnished by or obtainable from the City Auditor. Thereafter, each such taxpayer shall, on or before April 15 of each subsequent year, make and file a final return with the City Auditor. Like returns shall be filed at the same time and in the same manner by all persons whose wages, salaries, bonuses, incentive payments, commissions, fees and other compensation received during the preceding taxable year are subject to the tax imposed by the Ordinance. However, where an employee's entire earnings for the year are paid by an employer and the Uhrichsville tax thereon has in each instance been withheld and deducted by the employer from the gross amount of the entire earnings of such employee-taxpayer, and where the employer of such employee has filed a report or return in which such employee's entire and only earnings are reported to the City Auditor, and where ~~the employee~~ such employee has no taxable income other than such earnings, it shall not be necessary for such employee to file a return for any taxable year in which such conditions have prevailed.

Any person who receives both compensation for services performed for an employer, in whatsoever form, and in addition receives income from any business activity or occupation not subject to withholding under the Ordinance, must file a declaration and a final return.

2. In all returns filed hereunder there shall be set forth the aggregate amount of salaries, wages, bonuses, incentive payments, commissions, fees and other compensation received and/or net profits earned (all as ~~hereinbefore~~ defined) by and during the preceding year and subject to said tax, together with such pertinent information as the City Auditor may require.

3. If the return is made for a fiscal year or for any period other than a calendar year, the said return shall be made within three and one-half months from the end of said fiscal year.

4. The return shall also show the amount of the tax imposed by the Ordinance on such earnings, or net profits, or both.

5. The taxpayer making the return shall at the time of filing thereof, pay to the City Treasurer the amount of tax shown to be due and unpaid by the return. If pursuant to the provisions of Article V-2, the taxpayer has at the time of making such final return overpaid his tax, such taxpayer shall show the amount of overpayment and may in said return either (a) request a refund thereof, or (b) request that the amount thereof be credited against the amount which will be required to be paid by taxpayer on the next succeeding installment of tax which may become due.

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6. Where any portion of the tax otherwise due shall have been paid by the taxpayer pursuant to the provisions of Article IV-1 and Article V-1 of this Resolution, or where an income tax has been paid to another municipality, pursuant to Section 4 of the Ordinance, 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 said final return.

7. Upon written request of the taxpayer, the City Auditor may extend the time for filing the annual return for a period of not more than six (6) months or not more than thirty (30) days beyond any extension requested of and granted by the Federal Internal Revenue Department for the filing of the Federal Income Tax return.

For payments in installments, see Article V-2.

#### ARTICLE IV-1 COLLECTION AT SOURCE

1. It is the duty of each employer (as hereinbefore defined) who employs one or more persons on a salary, wage, commission, or other compensation basis, to deduct from compensation paid to any employee subject to the Ordinance, the tax of one percent (1%) of such salary, wage, bonus, incentive payment, commission or other compensation due by said employer to said employee. The tax shall be deducted by the employer from:

(A) All compensation paid to employees who are non-residents of the City of Uhrichsville for services rendered, work performed, or other activities engaged in to earn such compensation, within the City of Uhrichsville; and

(B) From the gross amount of all salaries, wages, bonuses, incentive payments, commissions or other form of compensation paid to employees who are residents of the City of Uhrichsville, regardless of the place where the services are rendered.

2. All employers who or which maintain an office or other place of business in Uhrichsville are required to make the collections and deductions in this article specified, regardless of the fact that the services on account of which any particular deduction is required as to residents of the City of Uhrichsville, were performed at a place of business of any such employer situated outside the City of Uhrichsville.

3. The mere fact that the tax is not withheld will not relieve the employee of the responsibility of filing a return and paying the tax on the compensation received.

4. Commissions and fees paid to professional men, brokers, and others who are independent contractors and not employees of the payor, are not subject to withholding or collection of the tax at the source. Such taxpayers must in all instances file returns and pay the tax pursuant to the provisions of Section 2 of the Ordinance. (See Article 11-3 and 11-4).

5. In the case of employees who are non-residents of Uhrichsville, the amount to be deducted is one percent (1%) of the compensation paid with respect to personal services rendered in Uhrichsville.

Where a non-resident receives compensation for personal services rendered or performed partly within and partly outside Uhrichsville, the withholding employer shall deduct, withhold and remit that portion of the compensation which is earned within Uhrichsville in accordance with the following rules of apportionment.

(A) If the non-resident is a salesman, agent, or other employee whose compensation on the basis of commissions depends directly on the volume of business transacted by him, the deducting and withholding shall attach to the portion of the entire compensation which the volume of business transacted by the employee within the City of Uhrichsville bears to the volume of business transacted by him within and outside the City of Uhrichsville.



The reporting periods referred to in the preceding paragraphs are elastic to this extent: The employer will use the same quarterly accounting period for reporting taxes withheld under the Uhrichsville

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Income Tax Ordinance as he uses in reporting quarterly taxes withheld to the Federal Government.

Said return shall be on a form prescribed by and obtainable from the City Auditor and shall be subject to the rules and regulations prescribed therfor by the City Auditor.

For adjustment of errors in returns of tax withheld by employers see Article VI-2 of these Regulations.

#### ARTICLE IV-3 LIMITATION ON CREDIT FOR TAX PAID AT SOURCE

The failure of any employer, residing either within or outside the City of Uhrichsville, to collect the tax and to make any return prescribed herein, shall not relieve the employee from the employee from the payment of such tax in compliance with these Regulations respecting the making of returns and the payment of taxes.

#### ARTICLE IV-4 STATUS AND LIABILITY OF EMPLOYERS

Every employer is deemed to be a trustee of the City of Uhrichsville in collecting and holding the tax required under the Ordinance to be withheld, and the funds so collected by such withholding are deemed to be trust funds until the same is paid to the City of Uhrichsville.

Every such employer required to deduct and withhold the tax at the source is liable directly to the City of Uhrichsville for the payment of such tax, whether actually collected by such employer or not.

#### ARTICLE V-1 DECLARATIONS

1. An employee whose entire wages, salaries, or other compensation for any taxable year will be subjected to the withholding provisions under Article IV-1 of these regulations, whose tax will accordingly be withheld as to his entire earnings for such year by his employer, and who during such taxable year expects to derive no other compensation or other income which is subject to tax under the Ordinance, need not file a declaration as provided in this Article.

2. All other taxpayers (as defined in the Ordinance and in these regulations) subject to the taxes imposed in Section 2 of the Ordinance and every taxpayer who anticipates any income or net profits not subject to total withholding as provided in the next preceding paragraph, shall file with the City Auditor a declaration of his estimated tax as follows:

(A) On or before April 15, 1974, every such calendar year taxpayer shall file a declaration of his estimated tax for the taxable period beginning January 1, 1974, and ending December 31, 1974.

(B) A similar declaration shall be filed by each such calendar year taxpayer on or before the 15<sup>th</sup> day of April of each subsequent year during the life of the Ordinance, and each such declaration shall contain a statement of the taxpayer's estimated tax for the full taxable year in which such declaration is filed.

3. Taxpayers who or which are permitted, pursuant to the provisions of Article II-8, to return and pay their tax upon a fiscal year basis, shall file their first declaration within three and one-half months after the beginning of the first fiscal year beginning on and after January 1, 1974, and the subsequent declaration for each year thereafter on or before the 15<sup>th</sup> day of the fourth month following the beginning of each such fiscal year. Those taxpayers on a fiscal year basis shall make quarterly payments on or before the 15<sup>th</sup> day of the fourth month and on or before the last day of the sixth, ninth, and twelfth month following the beginning of such fiscal year. The first installment, equal to at least one-fourth of the estimated tax,



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must accompany the declaration.\*

4. The estimated tax for a calendar year taxpayer may be paid in full with the filing of the declaration or in equal installments on or before April 15, June 30, September 30 and December 31.

5. The declarations so required shall be filed upon a form furnished by or obtainable from the City Auditor. Any taxpayer who has filed an estimate for Federal Income Tax purposes may, in making the declaration, required hereunder, simply state therein that the figures therein contained are the same figures used by the taxpayer in making the declaration of his estimate for the Federal Income Tax. However, in addition to such statement, any such taxpayer may, in such declaration, modify and adjust such declared income so as to exclude therefrom income which is not subject to tax under the Ordinance.

6. Any estimate filed hereunder may be amended by the filing of an amended estimate at the time prescribed for the payment of any installment of tax paid in accordance with Article V-2 of these Regulations.

## ARTICLE V-2 PAYMENT OF TAX INSTALLMENTS

1. At the time of filing each declaration (required by Article V-1) each taxpayer shall pay to the City Treasurer one-fourth ( $\frac{1}{4}$ ) of the amount of his estimated annual tax. Thereafter, on or before the 30<sup>th</sup> day of June, September and December 31st of each year during the life of the Ordinance, such taxpayer shall pay at least a similar amount. However, if any such taxpayer shall, on or before any such payment date, file an amended declaration showing an increase or decrease of the estimated tax, the installments then and thereafter due shall be increased or diminished (as the case may be) in such manner that the balance of the estimated tax shall be fully paid on or before December 31st of the taxable year involved through the payment of quarterly installments in equal amounts during the quarterly periods remaining from and after the filing of any such amended declaration.

2. Taxpayers who or which are permitted to make returns and pay their tax on a fiscal year basis (see Article 11-8), may make the quarterly payments on their declaration of estimated tax pursuant to Article V-1 (5) of these regulations.

3. For final returns and final adjustment of tax due, see Article III.

## ARTICLE VI-1 RECORDS TO BE KEPT BY EMPLOYERS AND TAXPAYERS

Employers and others subject to the tax under the Ordinance are required to keep such records as will enable the filing of true and accurate returns, whether of taxes withheld at source or of taxes payable upon earnings or net profits, or both, and such records are to be preserved to enable the City Auditor, or any agent or employee of the City Auditor, to verify the correctness of the returns filed.

## ARTICLE VI-2 COLLECTION OF DEFICIENCIES ALLOWANCE OF CREDIT FOR OVERPAYMENT

If, as a result of investigation conducted by the City Auditor, a return is found to be incorrect, the City Auditor is authorized to assess and collect any underpayment of tax withheld at source or any underpayment of tax owing by any taxpayer with respect to earnings or net profits, or both. If no return has been filed and a tax is found to be owing, the tax actually owing may be assessed and collected with or without the formality of obtaining a delinquent return from the employer or taxpayer. \*\*\*

Should it be disclosed, either as a result of an investigation

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by the City Auditor or through the medium of the filing of a claim or petition for refund or credit, that an overpayment has been made, the City Treasurer will refund such overpayment.

The employer will in every instance be required to pay the full tax which should have been withheld, even though he may fail to withhold from the employee. If too much has been withheld the excess shall be refunded by the employer to the employee. While the withholding agent (employer) will be expected to maintain complete records of such adjustment with the employees, any such adjustment made during any month will not need to be reflected in the withholding return or disclosed by schedules or statements thereto attached.

In those cases in which too much has been withheld by an employer from an employee and remitted to the City Treasurer and there has been a termination of the employee-employer relationship, the taxpayer (employee) may obtain an adjustment by application to the City Treasurer.

#### ARTICLE VII COLLECTION OF UNPAID TAXES

All taxes imposed by the Ordinance remaining unpaid when the same have become due, together with all interest and penalties thereon, become a debt due the city from the taxpayer, and are recoverable as other debts by suit instituted by the City Solicitor.

Employers who or which, although obliged under the Ordinance to withhold and remit to the City Treasurer the taxes required to be withheld at the source (Article IV-1), shall fail to so withhold and/or remit, become liable to the city in a civil action to enforce the payment of the debt created by such failure.

When a final return is filed as prescribed in Article III hereof and a deficiency is determined to be due to the City of Uhrichsville, action to collect the same must be brought within three(3) years after the tax was due or the return was filed, whichever is later. However, in the case of fraud, failure to file a return, or the omission of twenty-five percent or more of income required to be reported, prosecution may be commenced within six (6) years after the commission of the offense.

#### ARTICLE VIII IDENTIFICATION REQUIRED

Agents and employees charged with the duty of inspection or auditing of reports of employers and taxpayers will carry proper identification, which shall be subject to examination by any person whose records are sought to be examined.

#### ARTICLE IX APPLICABILITY

This Resolution is inapplicable to any person or corporation upon whom or which it is beyond the legal power of Council to impose the tax; it is likewise inapplicable as to any property, income or profits (or part thereof) as to which it is beyond the legal power of Council to levy the tax.

#### ARTICLE X SAVINGS CLAUSE

If any sentence, clause, section or part of this Resolution, or any tax against any individual or any of the several groups specified herein, is found to be unconstitutional, illegal, or invalid, such unconstitutionality, illegality or invalidity shall affect only such sentence, clause, section or part of this Resolution and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this resolution. It is hereby declared to be the intention of the Council of the City of Uhrichsville that

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this Resolution would have been adopted has such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

## ARTICLE XI WITHHOLDING STATEMENTS

The Uhrichsville Income Tax Department will not require the filing of employee earnings reports, resembling Federal Form W-2 as of December 31, 1974, or at any subsequent date.

## ARTICLE XII VACATION PAY

Vacation pay paid in 1974, and in all subsequent years, will be subject to withholding deductions under the Ordinance.

## ARTICLE XIII

In the case of an individual having salary or wages subject to withholding under the city income tax, if said individual has a business, including farm and rental property, which reflects a loss for same accounting period, said individual may not off-set the business loss against income earned on salary or wages for the purpose of securing a cash refund from the income tax department.

If an individual operated more than one business, the profits of which were subject to Uhrichsville City Income Tax, said individual may off-set profits from one business with the net loss from another business, and report the resulting net profit or loss for city income tax purposes.

In any event, the net loss on a business used to off-set net income from another business must exactly agree with the net loss as reported on Federal Income Tax return Form 1040, as filed with the Federal Government.

## ARTICLE XIV

This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, welfare and safety, the emergency being the necessity of immediately raising additional funds for the operation of necessary governmental functions imposed by law, including proper police and fire protection, but not limited thereto, and, as such, this Resolution shall take effect and be in force immediately upon passage by Council and approval by the Mayor.

Passed in Council this 12th day of November, A.D., 1973  
Third Reading.

*James McAloon*  
President of Council 11/12/73  
Date

*Harold W. Edwards*  
Mayor 11/12/73  
Date

ATTEST:

*Glenn Gilmore*  
Clerk

## CERTIFICATION

I do hereby certify that the foregoing is a true and correct copy of Resolution No. 1157 passed by Uhrichsville Council and was duly published according to law in The Evening Chronicle.

*Glenn Gilmore*  
Clerk

