

## CHAPTER 183

### Income Tax

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- Taxation and finances - see CHTR. Art. X, Sec. 8

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

## PURPOSE

### 183.0101 PURPOSE OF LEVY OF TAX.

To provide funds for the purposes of general Municipal functions of the City there is hereby levied a tax on all salaries, wages, commissions and other compensation, and on net profits as provided in this chapter.

(Ord. 1968-15. Approved by voters 5-7-68.)

## DEFINITIONS

### 183.0301 DEFINITIONS.

For purposes of this chapter certain terms, phrases, words and their derivations have the meanings given in this section. The singular includes the plural, and the masculine includes the feminine and the neuter.

(Ord. 2000-111. Passed 10-24-00.)

### 183.0302 ADMINISTRATOR.

"Administrator" means the individual designated to administer and enforce the provisions of the City income tax.

(Ord. 2000-111. Passed 10-24-00.)

### 183.0303 ASSOCIATION.

"Association" means any partnership, limited partnership or any other form of unincorporated enterprise owned by two or more persons.

(Ord. 2000-111. Passed 10-24-00.)

### 183.0304 BOARD OF REVIEW.

"Board of Review" means the board created by and constituted as provided in Section 183.2501.

(Ord. 2000-111. Passed 10-24-00.)

### 183.0305 BUSINESS.

"Business" means any enterprise, venture, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, including but not limited to the renting or leasing of property, real, personal or mixed, whether by an individual, partnership, fiduciary, trust, association, corporation or any other entity. This provision is applicable for a business being located within the City and/or doing business within the City.

(Ord. 2000-111. Passed 10-24-00.)

### 183.0306 CORPORATION.

(a) «Corporation» means a corporation or joint stock association organized under the laws of the United States, the State of Ohio, or any other state, territory or foreign country or dependency.

(b) «S Corporation» means a corporation that has made an election under subchapter S of Chapter 1 of subtitle A of the Internal Revenue Code for its taxable year.

(c) «Limited liability company» means a limited liability company formed under Ohio R.C. Chapter 1705 or under the laws of another state.

(d) «Income from a pass-through entity» means partnership income or partners, distributive shares of an S corporation, membership interests of members of a limited liability company.

(e) «Owner» means a partner of a partnership, a shareholder of an «S» corporation, a member of a limited liability company, or other person with an ownership interest in a pass-through entity. (Ord. 2000-111. Passed 10-24-00.)

#### 183.0307 EMPLOYEE.

"Employee" means one who works for wages, salary, commission or other type of compensation in the service of an employer. (Ord. 2000-111. Passed 10-24-00.)

#### 183.03071 RETURN PREPARER.

«Return preparer» means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report or other document for or on behalf of the taxpayer. (Ord. 2000-111. Passed 10-24-00.)

#### 183.0308 EMPLOYER.

"Employer" means an individual, partnership, association, corporation, government 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 basis of compensation. (Ord. 2000-111. Passed 10-24-00.)

#### 183.03081 ESTIMATED TAX LIABILITY.

«Estimated tax liability» means the amount that a taxpayer estimates to be the taxpayer's liability for City income tax for a year prior to applying any credits, estimated tax payments, or withheld taxes for the year. (Ord. 2000-111. Passed 10-24-00.)

#### 183.0309 FISCAL YEAR.

"Fiscal year" means an accounting period of twelve months or less ending on any day other than December 31. (Ord. 2000-111. Passed 10-24-00.)

#### 183.03091 GENERIC FORM.

«Generic form» means an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability that is not prescribed by the City. (Ord. 2000-111. Passed 10-24-00.)

#### 183.0310 GROSS RECEIPTS.

"Gross receipts" means the total income from any source whatever. (Ord. 2000-111. Passed 10-24-00.)

#### 183.03101 INTERNET.

«Internet» means the international computer data networks, including the graphical sub-network known as the World Wide Web. (Ord. 2000-111. Passed 10-24-00.)

#### 183.0311 NET PROFITS.

"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, or federal, state and other taxes based on income; and in the case of an association, or sole proprietorship, without deduction of compensation paid to partners, officers, or other owner(s) and otherwise adjusted to requirements of this chapter. Also, net profits from operation of a business, provided that gains and losses on the sale, exchange, or disposition of depreciable property or real estate, used in the taxpayer's business, shall not be taxed nor allowed as deductible expense in determining net profit or loss as determined by Federal or State government. (Ord. 2000-111. Passed 10-24-00.)

183.0312 NONRESIDENT.

"Nonresident" means an individual domiciled outside of the City.  
(Ord. 2000-111. Passed 10-24-00.)

183.0313 NONRESIDENT UNINCORPORATED BUSINESS ENTITY.

"Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the City.  
(Ord. 2000-111. Passed 10-24-00.)

183.0314 PERSON.

"Person" means every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, the term "person", as applied to any unincorporated entity, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.  
(Ord. 2000-111. Passed 10-24-00.)

183.0315 PLACE OF BUSINESS.

"Place of business" means any bona fide office other than a mere statutory office, factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business activity individually or through one or more of his regular employees regularly in attendance.  
(Ord. 2000-111. Passed 10-24-00.)

183.0316 RESIDENT.

«Resident» means any individual living, dwelling or who has or is maintaining living facilities for themselves or family members in the City for a period of thirty days or more; or a business having a place of business or doing business within the City.  
(Ord. 2000-111. Passed 10-24-00.)

183.0317 RESIDENT UNINCORPORATED BUSINESS ENTITY.

"Resident unincorporated business entity" means an unincorporated business entity having an office or place of business within the City.  
(Ord. 2000-111. Passed 10-24-00.)

183.0318 TAXABLE INCOME.

«Taxable income» means all salaries, wages, commissions, or other compensation including fees, sick pay, bonuses, tips, rents, profits from businesses including professional associations, partnerships, guaranteed payments to partners, disposition of a stock options, royalties, employer supplemental and unemployment benefits (subpay), wage continuation plans, dismissal or severance pay, incentive payments, property in lieu of cash, any other amounts received based on employment, depreciation recapture, officers' compensation, golden parachute plans, contest prize and awards, gambling and

lottery winnings. Individual Retirement Accounts and tax shelter plans (contributions by employees retirement plans) are not deductible by such employees. If such contributions are deducted by an employer from the earnings of an employee, such amounts are subject to tax. If an employer pays into a tax shelter plan on behalf of an employee in lieu of paying said amount as wages, said payments are considered additional compensation to the employee and are subject to tax. Contributions to a pension annuity or tax shelter plan by an employer are deemed to be other compensation subject to tax if the employee's interest in or entitlement to the amount contributed is vested and non-forfeitable at the time of the contributions. Any non-qualified plans are subject to tax. All other deferred compensation plans.

(Ord. 2005-128. Passed 12-6-05.)

#### 183.0319 TAXABLE YEAR.

"Taxable year" means the calendar year or the fiscal year upon the basis of which the 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 return is required to be made.

(Ord. 2000-111. Passed 10-24-00.)

#### 183.0320 TAXPAYER.

"Taxpayer" means a person, whether an individual, partnership, association or any corporation or other entity, required to file a return or pay a tax by the provisions of this chapter.

(Ord. 2000-111. Passed 10-24-00.)

#### 183.0321 ADJUSTING FEDERAL TAXABLE INCOME.

«Adjusting federal taxable income» means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

(a) If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute «adjusted federal taxable income» as if the taxpayer were a C corporation, but guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed a deductible expense, with respect to each owner or owner-employee of the taxpayer, amounts paid or accrued to a qualified self employment retirement and amounts paid or accrued to or for health insurance or life insurance shall not be allowed as a deduction.

(b) Internal Revenue «special deductions» will not be taken into account for municipal tax purposes unless otherwise described in this chapter.

(c) Add any losses allowed as a deduction in the commutation of federal taxable income if the losses directly relate to the sale, exchange or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code.

(d) Deduct intangible income to the extent the intangible income is included in federal taxable income.

(e) Add expenses incurred in the production of intangible income.

(f) Add taxes on or measured by net income allowed as a deduction on the computation of federal taxable income.

(g) Add, in the case of each real estate investment trust and regulated investment company, all amounts, with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors, allowed as a deduction in the computation of federal taxable income.

(h) Nothing in this chapter requires a municipality to allow a net operating loss carry forward.

(i) Municipal tax calculation will not be adjusted for federal charitable contribution deductions.

(j) Federal section 179 deductions may not create a loss forward.

(Ord. 2005-129. Passed 12-6-05.)

## IMPOSITION OF TAX

### 183.0501 RATE OF INCOME TAXABLE.

An annual tax for the purpose specified in Section 183.0101 shall be imposed on or after March 1, 1985 at a rate of two percent (2%) per year upon the following:

(a) On all taxable income received by residents of the City.

(b) On all taxable income received by non-residents of the City for work done or services performed or rendered in the City.

(c) (1) On the portion attributable to the City on net profits earned on or after March 1, 1985, of all resident unincorporated business entities or professions or other activities derived from sales made, work done, services performed or rendered and business or other activities conducted in the City.

(2) On the portion of the distributive share of net profits earned on or after March 1, 1985, of a resident partner or owner of a resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.

(d) (1) On the portion attributable to the City of the net profits earned on or after March 1, 1985, of all nonresident unincorporated business entities, professions or other activities derived from sales made, work done, services performed or rendered and business and other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City.

(2) On the portion of the distributive share of the net profits earned on or after March 1, 1985, of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.

(e) On the portion attributable to the City of the net profits earned on or after March 1, 1985, of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City whether or not such corporations have an office or place of business in the City.

(f) A business loss cannot be used by a taxpayer to offset other income taxes which may be owing to the City as a result of their employment. A business loss cannot be used to offset other income such as rental income, nor shall a rental loss be used to offset a business profit unless the taxpayer is considered in the business of rental properties.

(g) On all income, reported to the Internal Revenue Service, which is derived anywhere from gaming, wagering, lotteries, or schemes of chance by residents of the City or by nonresidents of the City when the income is derived from gaming, wagering, lotteries, or schemes of chance is won or received from sources or tickets purchased from sources located within the City.

(Ord. 2014-034. Passed 5-27-14.)

### 183.0502 EFFECTIVE DATE.

The tax established under Section 183.0501 shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation, and with respect to net profits on and after March 1, 1985.

(Ord. 1984-199. Passed 11-13-84.)

## DETERMINATION OF ALLOCATION OF TAX

### 183.0701 METHOD OF DETERMINATION.

In the taxation of income which is subject to the City income tax, if the books and records of a taxpayer conducting a business or profession both within and without the boundaries of the City disclose with reasonable accuracy what portion of its net profits is attributable to that part of the business or profession conducted within the boundaries of the City, then only such portion shall be considered as having a taxable situs in the City for the purposes of Municipal income taxation. The portion of the entire net profits of a taxpayer to be allocated as having been derived from within the City, in the absence of actual records thereof, shall be determined as follows:

All resident businesses must complete all three factors in allocation percentage.

Multiply the entire net profits by a business allocation percentage to be determined by a three-factor formula of property, payroll and sales, each of which shall be given equal weight using all three factors as follows:

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

As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight.

(b) Wages, salaries and other compensation paid during the taxable period to persons employed in the business or profession for services performed in the City to wages, salaries and other compensation paid during the same period to persons employed in the business or profession, wherever their services are performed.

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

In the event that the foregoing allocation formula does not produce an equitable result, another basis may, under uniform regulations, be substituted so as to produce such result, if approved by the Tax Administrator.

(Ord. 2005-130. Passed 12-6-05.)

### 183.0702 SALES MADE IN THE CITY DEFINED.

«Sales made in the City» means:

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

(b) All sales of tangible personal property delivered within the City regardless of where title passes even though transported from a point outside the City if the sales result from solicitation or promotion.

(c) All sales of tangible personal property shipped from a place within the City to purchasers outside the City regardless of where title passes if the sales are not through employees' regular solicitation.

(Ord. 2000-114. Passed 10-24-00.)

### 183.0703 TOTAL ALLOCATION.

Add together the percentages determined in accordance with subsections (a), (b) and (c) of Section 183.0701 or such of the aforesaid percentages as are applicable to the particular taxpayer and divide the total so obtained by the number of percentages used in deriving the total in order to obtain the business allocation percentage referred to in Section 183.0701.

A factor is applicable even though it may be allocable entirely in or outside of the City.  
(Ord. 1968-15. Approved by voters 5-7-68.)



#### 183.0704 RENTALS.

Rental income received by a taxpayer shall be included in the computation of net profits from business under Section 183.0501 only to the extent that the rental, ownership, management or operations of the real estate from which such rentals are derived, whether so rented, managed or operated by a taxpayer individually or through agents or other representatives, constitutes a rental activity of the taxpayer in whole or in part. Rental losses derived outside the City cannot be netted against rental gains located within the City. Other business entities operating separately from the rental entity cannot net a loss or gain against a loss or gain generated from the rental activity.

(a) Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income. Profits and losses within the City may be netted against profits and losses of other business entities if also located within the City.

(b) Profit or losses from rental property located within the City, held for individual investment purposes, can be netted only against profit and losses of other rental also located within the City.

(Ord. 1996-246. Passed 11-26-96.)

(c) Property owners that do not consider the property the property owner's domicile, whether or not available for rent or lease, must report the status of the property, and if occupied, the resident's name on a yearly Eastlake tax return.

(Ord. 2005-131. Passed 12-6-05.)

#### 183.0705 OPERATING LOSS CARRY-FORWARD.

(a) The portion of a net operating loss sustained in any taxable year allocable to the City may be applied against the portion of the profit of succeeding tax years allocable to the City until exhausted but in no event for more than one taxable year immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against net profits of any prior year.

This loss carry-forward may be extended by the Tax Administrator for purposes of economic development. (Ord. 2005-132. Passed 12-6-05.)

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

(c) The Administrator shall provide by rules and regulations the manner in which such net operating loss carry-forward shall be determined.

(d) Only losses within the City will carry forward and those losses will only be recognized if prior year returns are filed timely, including those granted an extension to file.

(Ord. 1996-247. Passed 11-26-96.)

#### EXEMPTIONS

##### 183.0901 SOURCES OF INCOME NOT TAXED.

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

(a) Pay or allowance of active members of the armed forces of the United States and of members of their reserve components, including the Ohio National Guard or the income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax exempt real estate, tax exempt tangible or intangible property or tax exempt activities.

(b) Poor relief, unemployment insurance benefits, old age pensions or similar payments including disability benefits received from local, state or federal governments or charitable, religious or educational organizations.

(c) Proceeds of insurance paid by reason of the death of the insured, pensions, disability benefits, annuities or gratuities not in the nature of compensation for services rendered from whatever source derived.

(d) Receipts from seasonal or casual entertainment, amusements, sports events and health and welfare activities when any such are conducted by bona fide charitable, religious or educational organizations and associations.

(e) Alimony received.

(f) Personal earnings of any natural person under eighteen years of age.

(g) Compensation for personal injuries or for damages to property by way of insurance or otherwise.

(h) Interest, dividends and other revenue from intangible property.

(i) Gains from involuntary conversion, 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.

(j) Salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce.

(k) Salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the Constitution of the State or any act of the Ohio General Assembly limiting the power of the City to impose net income taxes.

(l) Compensation paid under Ohio R.C. 3501.28 or 3501.36 to a person serving as a precinct election official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually. Such compensation in excess of one thousand dollars (\$1,000) may be subjected to tax.

(m) The income of a public utility when that public utility is subject to the tax levied under Ohio R.C. 5727.24 or 2727.30, except starting January 1, 2002, the income of an electric company or combined company, as defined in Ohio R.C. 5727.01 may be taxed by the City. For a combined company, only the income attributed from the activity of an electric company shall be subject to taxation by the City. The income of an electric company or combined company subject to a municipal corporation shall be computed by taking into account the adjustments provided by division (I)(16) of Ohio R.C. 5733.04.

(Ord. 2000-115. Passed 10-24-00.)

(n) Except as provided herein, on and after January 1, 2001, compensation paid to an individual for personal services performed within the City, if the individual does not reside in the City, performs such personal services in the City on twelve or fewer days in the calendar year. Any portion of a day will constitute one day.

Beginning with the thirteenth day, the employer of said individual shall begin withholding Eastlake income tax from the full remuneration paid by the employer to the individual, and shall remit the withheld income tax to Eastlake in accordance with Section 183.1302.

If the individual is self-employed, it shall be the responsibility of the individual to remit the appropriate income tax to the City of Eastlake.

The 12-day occasional entry exception is not available if two or more individuals of the same employer (even if they are independent contractors of that employer) perform work in Eastlake related to the service for which the employer has engaged, but said persons shall comply with the withholding rules of Section 183.1302.

The 12-day occasional entry exception is not available to entertainers or professional athletes, their employees or individuals who perform services on their behalf, or to promoters and booking agents of such entertainment events and sporting events, but said persons shall comply with the withholding rules of Section 183.1302.

(Ord. 2005-133. Passed 12-6-05.)

## RETURNS

### 183.1101 TIME OF MAKING RETURN.

Each taxpayer, except as herein provided, shall, whether or not a tax is due, make and file a return on or before April 15 of the year following the effective date of this section (Ordinance 1968-15, approved by voters on May 7, 1968), and on or before April 15 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months from the end of such fiscal year or period. The Administrator is hereby authorized to provide by regulation that the return of an employer or employers, showing the amount of tax deducted by such employer or employers from the salaries, wages, commissions or other compensation of an employee, and paid by him or them to the Administrator shall be accepted as the return required of any employee whose sole income, subject to tax under this chapter, is such salary, wages, commissions or other compensation.

All residents of the City age eighteen years and over are subject to the tax imposed herein and shall on or before April 15 of each year, make and file a return with the Tax Administrator as provided in this section.

(Ord. 2005-134. Passed 12-6-05.)

### 183.1102 FORM AND CONTENT OF RETURN.

The return shall be filed with the Administrator on a form or forms furnished by or obtainable upon request from the Administrator. On or after January 1, 2001, the City shall accept a generic form of such a return, report or document if the generic form contains all of the information required to be submitted with the City's prescribed returns, reports or documents.

(a) The aggregate amounts of salaries, wages, commissions and other compensation earned and gross income from business, profession or other activity less allowable expenses incurred in the acquisition of such income earned during the preceding year and subject to the tax;

(b) The amount of tax imposed by this chapter on such earnings, profits, compensation and other taxable income;

(c) Such other pertinent statements, information returns or other information as the Administrator may require;

(d) Information returns, schedules, and statements required to support tax returns which are incomplete without such information shall be filed within the time limits set forth for the filing of the tax returns and the failure to file such information returns, schedules, and statements shall be deemed to be in violation. However, the taxpayer shall have ten days after notification by the Administrator, or his authorized representative, to file the items required by this section, after this date penalties as prescribed in Section 183.1502(a) will apply.

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

(f) All taxable income derived from a pass-through entity to an owner or shareholder will be taxed at the entity level. Corporations electing a federal Subchapter S status will be taxed in the same manner as a C Corporation. Amounts received by a taxpayer from a non-resident pass through entity will be treated as wages.

(g) Organizations falling under IRS 501(C)3 regulations must report amount declared on Federal Form 990T if required.

(h) Check cashing establishments must produce a copy of their «Small Loan License» specified in Ohio R.C. Chapter 1321.02 as required under Ohio R.C. 1321.01 through 1321.19 as issued to the Eastlake location; a proof of payment of the State of Ohio licensing fee for each tax year; and a copy of the lending agreement between the company and its clients in effect for each tax year for the Eastlake location. (Ord. 2005-135. Passed 12-6-05.)

#### 183.1103 EXTENSION OF TIME FOR FILING.

The Administrator may extend the time for filing the annual return upon the request of the taxpayer for a period of not less than the period of the federal extension. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal extension and shall be filed not later than the last day for filing the City tax return. The Administrator may deny a request if the taxpayer fails to timely file the request, fails to file a copy of the request for federal extension, owes the City any delinquent income tax or any penalty, interest, assessment or other charge for the late payment or nonpayment of income tax, or has failed to file any required income tax return, report or other related document for a prior tax period.

Any portion of tax unpaid after the original due date of the return, but paid within the period extended, will be subject to interest charges as prescribed in Sections 183.1501 and 183.1502. If an extension request is denied, the subsequent filing of the return and payment of tax due shall be subject to the applicable penalty and interest charges as prescribed by Sections 183.1501 and 183.1502. (Ord. 2000-118. Passed 10-24-00.)

#### 183.1104 CONSOLIDATED RETURNS.

(a) Filing of consolidated returns may be permitted or required in accordance with rules and regulations prescribed by the Administrator.

(b) In the case of a corporation that carried on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within the City constituting a portion only of its total business, the Administrator shall require such additional information as he may believe necessary to ascertain whether net profits are properly allocated to the City. If the Administrator finds that the net profits are not properly allocated to the City by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates or transactions with such division, branch, factory, office, laboratory or activity or by some other method, he shall make such allocation as he believes appropriate to produce a fair and proper allocation of net profits to the City.

(c) The City shall accept for filing a consolidated income tax return from any affiliated group of corporations if the group filed for the same tax reporting period a consolidated return for federal income tax purposes, pursuant to Section 1501 of the Internal Revenue Code.

(d) If consolidated returns have been filed in prior years, the City may refuse to accept a non-consolidated return that has been filed with the Internal Revenue Service for the same tax reporting period if the reason for filing a non-consolidated return was to receive a tax benefit for that tax period. Returns must be filed consistently for each tax year. (Ord. 2000-119. Passed 10-24-00.)

#### 183.1105 AMENDED RETURNS.

(a) Where necessary 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, limitations, or both, contained in Sections 183.1701, 183.1702, 183.1703 and 183.1901. The amended return shall be on a form obtainable on request from the

Administrator. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.

(b) Within three months from the final determination of any Federal tax liability affecting the taxpayer's City tax liability, such taxpayer shall make and file an amended City return showing income subject to the City tax based upon the final determination of Federal tax liability, and pay any additional tax shown due thereon or make a claim for refund of any overpayment.

(Ord. 1968-15. Approved by voters 5-7-68.)

## PAYMENT

### 183.1301 PAYMENT ON FILING.

(a) The taxpayer making a return shall, at the time of filing, pay to the Administrator the amount of taxes shown as due thereon; provided, however, that any portion of the tax so due has been deducted at the source pursuant to the provisions of Section 183.1302, or where any portion of the tax has been paid by the taxpayer pursuant to the provisions of Section 183.1303 or where an income tax has been paid to another municipality, credit for the amount so paid in accordance with Section 183.1901 shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing the return.

(b) A taxpayer who has overpaid the amount of tax to which the City is entitled under the provisions of this chapter may have such overpayment applied against any subsequent liability hereunder or, at his election indicated on the return, such overpayment or part thereof shall be refunded, provided that no additional taxes or refunds of less than one dollar (\$1.00) shall be collected or refunded.

(c) Payments shall be on a form or forms furnished by or obtainable upon request from the Administrator, setting forth the amount of tax deducted for the month. A receipted copy of such form shall be retained by the employer and a copy will be attached to and filed with the employer's quarterly or monthly return of income tax withheld.

(Ord. 2005-136. Passed 12-6-05.)

### 183.1302 COLLECTION AT SOURCE.

(a) In accordance with rules and regulations prescribed by the Administrator, each employer within or doing business within the City shall deduct, at the time of the payment of such salary, wage, commission or other compensation due from the employer to the employee, the amount of tax of two percent (2%) per year on the gross salaries, wages, commissions or other compensation and on the tips or gratuities reported to the employer by each employee for social security or Federal income tax purposes 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 Administrator the amount of taxes so deducted subject to the provisions of subsections (c), (d) and (e) hereof. The returns shall be on a form or forms prescribed by or acceptable to the Administrator and shall be subject to the rules and regulations prescribed therefor by the Administrator.

(b) Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld. Every employer or officer of a corporation is deemed to be a trustee for this Municipality in collecting and holding the tax required under this section to be withheld and the funds so collected by such withholdings are deemed to be trust funds. The officer or employee having control or supervision or charged with the responsibility of filing the return and making payment is personally liable for failure to file the return or pay the tax due as required by this section. The officer or employee shall be personally liable for the tax he failed to return or pay as well as any related interest and penalties. The dissolution of a corporation does

not discharge an officer's or employee's liability for a prior failure of the corporation to pay the tax due.

(c) Such employer who deducts the tax of one hundred dollars (\$100.00) or more per month, shall pay to the Administrator before the twentieth of the following month, the amount of taxes so deducted on a monthly basis beginning with the first month the employer exceeds one hundred dollars (\$100.00) in taxes withheld.

(d) Payments shall be on a form or forms furnished by or obtainable upon request from the Administrator, setting forth the amount of tax deducted for the month. A receipted copy of such form shall be returned to the employer to be attached to and filed with the employer's quarterly return of income tax withheld.

(e) No person shall be required to withhold the tax on wages or other compensation paid domestic servants employed by him exclusively in or about such person's residence, even though such residence is in the City, but such employees shall be subject to all of the requirements of this chapter.

(f) In addition to the above wage reporting requirements, any person who compensates an individual, contractor, or subcontractor shall report such payment. The information required includes the name, address and social security (or federal identification) number, and the amount of compensation. Federal Form 1099 may be submitted in lieu of such listing. The information must be filed annually with the Income Tax Department of the City on or before February 28.

(g) Failure to file any required documentation in a timely manner as prescribed by this section will be subject to late filing penalty assessment as prescribed in Sections 183.1501 and 183.1502.

(Ord. 2003-148. Passed 11-24-03.)

(h) An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirement to withhold the tax and/or the employer's failure to transmit withheld taxes does not relieve the employee of liability. (Ord. 2004-091. Passed 9-14-04.)

(i) The Tax Administrator may require each employer, on or before the last day of February of each year, to notify the Administrator of the name, address and social security number of each employee for whom the employer deferred compensation, other than qualified deferred compensation during the previous calendar year. The notification shall also include the amount so deferred for each employee. (Ord. 2003-148. Passed 11-24-03.)

### 183.1303 DECLARATION OF INCOME NOT COLLECTED AT SOURCE.

Every person who anticipates any taxable income which is not subject to Section 183.1302, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 183.0101 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 wages from which the tax will be withheld and remitted to the City in accordance with Section 183.1302 that person need not file a declaration.

(Ord. 1968-15. Approved by voters 5-7-68.)

### 183.1304 TIME OF FILING DECLARATION.

(a) The declaration required by Section 183.1303 shall be filed on or before April 15 of each year during the effective period set forth in Section 183.0502 or within four months of the date the taxpayer becomes subject to tax for the first time.

(b) Those taxpayers reporting on a fiscal year basis shall file a declaration within four months after the beginning of each fiscal year or period.

(Ord. 2005-137. Passed 12-6-05.)

#### 183.1305 FORM OF DECLARATION.

(a) The declaration required by Section 183.1303 shall be filed upon a form furnished by, or obtainable from, the Administrator; however, credit shall be taken for City tax to be withheld from any portion of such income. In accordance with the provisions of Section 183.1901, credit may be taken for tax to be paid or to be withheld and remitted to another taxing municipality.

(b) The original declaration, or any subsequent amendment thereof, may be increased or decreased on or before any subsequent quarterly payment date as provided for in this chapter.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.1306 PAYMENT TO ACCOMPANY DECLARATION.

The declaration of estimated tax to be paid to the City shall be accompanied by a payment of at least twenty-two and one-half percent (22.5%) of the taxpayer's estimated liability for the current year and shall be required to have been remitted on or before the thirtieth day of April. Forty-five percent (45%) of the estimated tax liability for the current year shall be required to be remitted on or before the thirty-first day of July. Sixty-seven and one-half percent (67.5%) of the taxpayer's estimated tax liability for the current year shall be required to have been remitted on or before the thirty-first day of October. Ninety percent (90%) of the taxpayer's estimated tax liability for the previous year shall be required to have been remitted on or before the thirty-first day of January. An amount at least equal to one hundred percent (100%) of the taxpayer's tax liability for the preceding year will be accepted.

(Ord. 2000-121. Passed 10-24-00.)

#### 183.1307 ANNUAL RETURN.

On or before the 15th 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 therewith in accordance with the provisions of Section 183.1301.

(Ord. 2005-138. Passed 12-6-05.)

#### INTEREST AND PENALTIES

##### 183.1501 INTEREST ON UNPAID TAX.

All taxes imposed on any individuals, business net profits and all moneys withheld or required to be withheld by an employer 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 (1.5%) per month or fraction thereof.

(Ord. 2005-139. Passed 12-6-05.)

##### 183.1502 PENALTIES ON UNPAID TAX.

In addition to interest as provided in Section 183.1501, penalties based on the unpaid tax are hereby imposed as follows:

(a) For failure to pay taxes due other than taxes withheld: one and one half percent (1.5%) per month or fraction thereof; minimum penalty for failure to file annual returns when due is fifty dollars (\$50.00).

(b) For failure to remit taxes withheld from employees: ten percent (10%) per month or fraction thereof.

(c) For failure to file tax returns, informational reports, or any filing as required by this chapter: fifty dollars (\$50.00) if not more than 160 days late; one hundred dollars (\$100.00) if late by 160 days or more.

(Ord. 1996-251. Passed 11-26-96.)

#### 183.1503 EXCEPTIONS.

A penalty may be adjusted on an additional tax assessment made by the Administrator when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Administrator. In the absence of fraud, penalty and/or interest may be adjusted on any additional assessment resulting from a Federal audit, providing an amended return is filed and the additional tax is paid within three months after a final determination of the Federal tax liability.

(Ord. 2005-140. Passed 12-6-05.)

#### 183.1504 ABATEMENT OF PENALTY.

Upon recommendation of the Administrator, the Board of Review may abate penalty, or upon an appeal from the refusal of the Administrator to recommend abatement of penalty, the Board may nevertheless abate penalty for good cause shown.

(Ord. 2005-141. Passed 12-6-05.)

#### 183.1505 VIOLATIONS.

Whoever:

- (a) Fails, neglects or refuses to make any return or declaration required by this chapter;
- (b) Makes any incomplete, false or fraudulent return;
- (c) Fails, neglects or refuses to pay the tax, penalties or interest imposed by this chapter;
- (d) Fails, neglects or refuses to withhold the tax from his employees or remit such withholding to the Administrator;
- (e) Refuses to permit the Administrator or any duly authorized agent or employee to examine his books, records, papers and Federal income tax returns relating to the income or net profits of a taxpayer;
- (f) Fails to appear before the Administrator and to produce his books, records, papers or Federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator;
- (g) Refuses to disclose to the Administrator any information with respect to the income or net profits of a taxpayer;
- (h) Fails to comply with the provisions of this chapter or any order or subpoena of the Administrator authorized hereby;
- (i) Gives to an employer false information as to his true name, correct social security number and residence address, or fails to promptly notify an employer of any change in his residence address and date thereof;
- (j) Fails to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and City tax withheld, or knowingly gives the Administrator false information; or
- (k) Attempts to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter,

shall be subject to the penalty provided under Section 183.2999.  
(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.1506 LIMITATION ON PROSECUTION.



All prosecutions under this chapter must be commenced within the time prescribed under Ohio R.C. 718.06.

#### 183.1507 FAILURE TO PROCURE FORMS NOT EXCUSE.

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

(Ord. 1968-15. Approved by voters 5-7-68.)

#### COLLECTION OF UNPAID TAXES AND REFUNDS OF OVERPAYMENTS

#### 183.1701 UNPAID TAXES RECOVERABLE AS OTHER DEBTS; TIME LIMITATION ON ADDITIONAL ASSESSMENTS; COLLECTION COST REIMBURSEMENT.

All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. Except in the case of fraud, of omission of a substantial portion of income subject to this tax, or of failure to file a return, an additional assessment shall not be made after five years from the time the return was due or filed, whichever is later, provided, however, in those cases in which a Commissioner of Internal Revenue and the taxpayer have executed a waiver of the Federal statute of limitations, the period within which an additional assessment may be made by the Administrator shall be three years from the time of the final determination of the Federal tax liability.

Any and all amounts or fees that are charged to the City of Eastlake for collection costs and/or court costs will be added to the account of the delinquent taxpayer.

(Ord. 2007-033. Passed 4-10-07.)

#### 183.1702 TIME LIMITATION ON REFUND CLAIMS.

Taxes erroneously paid shall not be refunded unless a claim for refund is made within the time prescribed under Ohio R.C. 718.06.

#### 183.1703 MINIMUM AMOUNT OF REFUND OR COLLECTION.

Amounts of less than one dollar (\$1.00) shall not be collected or refunded.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### RELIEF AND RECIPROACITY

#### 183.1901 CREDIT FOR TAX PAID TO OTHER MUNICIPALITY.

When a resident of the City is subject to a municipal income tax in another municipality of the same income taxable under this chapter, a credit shall be allowed against the Eastlake income tax of the amount of net tax for which he is liable under the ordinance of such other municipality but such credit shall not exceed the amount of the tax due hereunder. However, a resident of Eastlake shall not be entitled to such credit if after written notification from the Tax Administrator, he fails, neglects or refuses to file a return or form and pay the required tax as is prescribed by the Administrator and required by this chapter.

(Ord. 2014-059. Passed 9-23-14.)

#### DISBURSEMENT OF TAX FUNDS

#### 183.2101 DISBURSEMENT OF FUNDS COLLECTED.

The funds collected under the provisions of this chapter shall be disbursed in the following manner:

(a) First, such part thereof as shall be necessary to defray all expenses of collecting the tax and of administering and enforcing the provisions of this chapter shall be paid.

(b) The balance remaining after payment of the expenses referred to in subsection (a) hereof shall be deposited in the General Fund for Municipal purposes.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### DUTIES AND AUTHORITY OF THE ADMINISTRATOR

##### 183.2301 DUTY TO RECEIVE TAX IMPOSED, KEEP RECORDS AND MAKE REPORTS.

The Administrator 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.

(Ord. 1968-15. Approved by voters 5-7-68.)

##### 183.2302 DUTY TO ENFORCE COLLECTION AND KEEP RECORDS.

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

(Ord. 1968-15. Approved by voters 5-7-68.)

##### 183.2303 AUTHORITY TO MAKE AND ENFORCE REGULATIONS.

The Administrator is hereby charged with the enforcement of the provisions of this chapter, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this chapter, including provisions for the re-examination and correction of returns.

(Ord. 1968-15. Approved by voters 5-7-68.)

##### 183.2304 AUTHORITY TO ARRANGE INSTALLMENT PAYMENTS.

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

Failure to make any deferred payment when due, shall cause the total unpaid amount, including penalty and interest, to become payable on demand and the provisions of Sections 183.1701 and 183.1505 of this chapter shall apply.

(Ord. 1968-15. Approved by voters 5-7-68.)

##### 183.2305 AUTHORITY TO DETERMINE AMOUNT OF TAX DUE.

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 Administrator 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.

(Ord. 1968-15. Approved by voters 5-7-68.)

##### 183.2306 AUTHORITY TO MAKE INVESTIGATIONS.

The Administrator, or any authorized employee, 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 whom the Administrator believes is subject to the provisions of this chapter, for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax 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 Administrator, or his duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2307 AUTHORITY TO COMPEL PRODUCTION OF RECORDS AND EXAMINE PARTIES.

The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before him and may examine such person, under oath, concerning any income which was or should have been 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. (Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2308 REFUSAL TO PRODUCE RECORDS.

The refusal to produce books, papers, records and Federal income tax returns; the refusal to submit to such examination by any employer or persons subject or presumed to be subject to the tax or 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 chapter or with an order or subpoena of the Administrator authorized hereby shall be deemed a violation of this chapter, punishable as provided in Section 183.2999. (Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2309 CONFIDENTIAL NATURE OF INFORMATION OBTAINED.

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.

In addition to the penalty provided under Section 183.2999, any employee of the City who violates the provisions of this section relative to the disclosures of confidential information shall be guilty of an offense punishable by immediate dismissal.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2310 TAXPAYER REQUIRED TO RETAIN RECORDS.

Every taxpayer shall retain all records necessary to compute his tax liability for a period of six years from the date his return is filed, or the withholding taxes are paid.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2311 COLLECTION AT SOURCE.

(a) In accordance with rules and regulations prescribed by the Tax Administrator, each employer within or doing business within the City shall deduct at the time of payment of such salary, wage, commission or other compensation, the tax of two percent (2%) of the gross salaries, wages, commissions or other compensation due from the employer to the employee or the tips or gratuities reported to the employer by each employee for social security or federal income tax purposes and shall make a return and pay to the Tax Administrator the amount of taxes so deducted on a monthly basis, due on the twentieth day following the month. The return shall be on a form or forms prescribed therefor by

the Tax Administrator and shall be subject to the rules and regulations prescribed therefor by the Tax Administrator. Such employer shall be liable for payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld.

(b) Such employer in collecting the tax shall be deemed to hold the same, until payment is made by such employer to the City, as a trustee for the benefit of the City and such tax collected by such employer from his employees, shall, until the same is paid to the City be deemed a trust fund in the hands of such employer.

(c) On or before March 1 of each year each employer shall file a withholding return setting forth the names and addresses of all employees from whose compensation the tax was withheld during the preceding calendar year and the amount of tax withheld from his employees and such other information as may be required by the Tax Administrator. All payments not subject to withholding shall be reported on a form required by the Tax Administrator.

(d) The Tax Administrator for good cause may require immediate returns and payments to be submitted to his or her office.

(e) The failure of any employer residing either within or outside this City to collect the amounts prescribed herein shall not relieve the employee from the payment of the tax in compliance with this chapter.

(f) All taxes due shall be paid to the City before the last day of the following month, providing the tax due is in the amount of one hundred dollars (\$100.00) or more.

Otherwise, payment of taxes shall be as follows:

- (1) For three months ending March 31, on or before April 30;
- (2) For three months ending June 30, on or before July 31;
- (3) For three months ending September 30, on or before October 31;
- (4) For three months ending December 31, on or before January 31.

(g) Upon determination and finding by the Tax Administrator that monthly or quarterly payments would result in a delay that may jeopardize collection of tax withheld, he or she may order that payment of the tax be made weekly, and such payment shall be made within seven days following the close of the period for which the jeopardy payment is made. Such an order shall be delivered to the taxpayer personally or by certified mail and remains in effect until the Tax Administrator notifies the employer to the contrary.

(h) The officer or employee 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 chapter. The dissolution of a corporation does not discharge an officer's or employee's liability for a prior failure of the corporation to file returns or pay tax due.

(Ord. 1995-140. Passed 7-11-95.)

#### 183.2312 APPOINTMENT OF ADMINISTRATOR.

Until such time as Council otherwise determines by proper legislation, the Director of Finance of the City shall serve as Administrator and shall perform all duties as provided in this chapter. (Ord. 1968-15. Approved by voters 5-7-68.)

#### BOARD OF REVIEW

#### 183.2501 BOARD OF REVIEW ESTABLISHED.

A Board of Review, consisting of a person designated by the Mayor, the Finance Director or his designation and four citizens as appointed by Council, is hereby created. The Board shall select, each year for a one year term, one of its members to serve as chairman and one member of the Tax Department to serve as secretary. A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions within the Tax Department. Any hearing by the Board may be conducted privately and the provisions of Sections

183.2309 and 183.2999(b) with reference to the confidential character of information required to be disclosed by this chapter shall apply to such matters as may be heard before the Board of Appeal.

Any appointed citizen member of the Board may be removed by the Mayor for cause, subject to the approval of two-thirds of all the members elected to Council.  
(Ord. 2005-142. Passed 12-6-05.)

#### 183.2502 DUTY TO APPROVE REGULATIONS AND TO HEAR APPEALS.

All rules and regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by this chapter, must be approved by the Board of Review before they become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator, and at the request of the taxpayer or Administrator, is empowered to substitute alternate methods of allocation.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2503 RIGHT OF APPEAL.

Any person who is aggrieved by a decision by the Tax Administrator which is made under the authority conferred by this chapter and who has filed with the City all required returns or other documents pertaining to their income tax obligation shall request in writing and state why the decision should be deemed incorrect or unlawful, and such request shall be filed within thirty days after the Tax Administrator issues the decision. The Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof. The Board will have ninety days from the hearing date to issue a decision on the appeal and send a notice of its decision by ordinary mail to the petitioner within fifteen days after issuing the decision.

(Ord. 2000-123. Passed 10-24-00.)

#### MISCELLANEOUS PROVISIONS

#### 183.2701 SEPARABILITY.

If any sentence, clause, section or part of this chapter 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 clause, sentence, section, or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

(Ord. 1968-15. Approved by voters 5-7-68.)

#### 183.2702 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER.

(a) This chapter shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions and proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of the taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of the taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Sections 183.1505, 183.1506, 183.1507, 183.1701, 183.1702 and 183.1703.

(b) Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided in Sections 183.1101 and 183.1302 as though the same were continuing.

(Ord. 1968-15. Approved by voters 5-7-68.)

### 183.2703 CONTRACT PROVISIONS.

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

(1) Said contractor hereby further agrees to withhold all City income taxes due or payable under this chapter for wages, salaries, fees and commissions paid to its employees and further agrees that any of its subcontractors shall be required to agree to withhold any such City income taxes due for services performed under this contract.

(b) Furthermore, any person, firm or agency that has a contract or agreement with the City shall be subject to City income tax whether a resident or nonresident in the City.

(c) In addition to the tax withheld for employees, the net profits on the contract shall be subject to City income tax.

(Ord. 1995-141. Passed 7-11-95.)

### 183.2704 TENANTS' REPORTS.

(a) On or before October 1st of each year, all property owners of rental or leased property who rent to tenants of residential or commercial premises shall file with the Tax Administrator a report showing the names and addresses of each such tenant who occupies the residential or commercial premises within the corporation limits of the City as of July 1, 1995.

(Ord. 2005-143. Passed 12-6-05.)

(b) Beginning July 1, 1995, and thereafter within thirty days after a new tenant occupies residential or commercial property of any kind within the City, all property owners of rental or leased residential or commercial property who rent to tenants shall file with the Tax Administrator a report showing the names and addresses and social security numbers of each such tenant who occupies residential or commercial premises within the corporation limits of the City.

(c) Beginning July 1, 1995, and thereafter, within thirty days after a tenant vacates a rental or leased residential or commercial property located within the City, the property owner of such vacated rental or leased property shall file with the Tax Administrator a report showing the date vacated and identifying such vacating tenant and a forwarding address.

(d) For the purpose of this section, "tenant" means:

(1) If there is a written lease or rental agreement, the person or persons who sign the written lease or rental agreement with the owner.

(2) If there is an oral lease or rental agreement, the person or persons with whom the owner enters into the oral lease or rental agreement.

(Ord. 1996-253. Passed 11-26-96.)

### 183.2705 REGISTRATION OF CONTRACTORS.

(a) No person, firm, partnership, association, corporation or other entity shall perform any construction work within the City without first obtaining a tax account number and a certificate of tax registration from the City Income Tax Department.

(b) A certificate of tax registration shall be denied to any person, firm, partnership, association, corporation or other entity who is not current in filing of required tax documents; who is not current in the required payment of taxes; or who has not complied with the provisions of this chapter.

(c) No license or permit required by Chapter 1301 of the Building Code shall be issued to any person, firm, partnership, association, corporation or other entity that does not possess a valid certificate of tax registration.

(d) Failure to possess a valid certificate of tax registration shall be cause for issuance of an order of suspension of work by the Building Department prior to commencement of and/or during the performance of the construction work. Proof of possession of a valid

certificate of tax registration shall be necessary to commence or resume suspended construction work.

(e) A certificate of tax registration may be canceled or revoked by the Income Tax Department for the failure of a person, firm, partnership, association, corporation or other entity to remain current in the required filing of tax documents; for failing to remain current in required payment of taxes; and for failure to comply with this chapter. (Ord. 1995-143. Passed 7-11-95.)

#### 183.2706 CONTRACTORS.

(a) Every contract on behalf of the City for work or improvements of the City shall contain the following provisions:

«The contractor further agrees that all city income taxes due or payable under 183.0501 of the Eastlake Code of Ordinances shall be withheld by the contractor pursuant to 183.1302 and further agrees that any of its subcontractors shall be required to withhold income taxes as set forth in 183.1302.

(Ord. 1996-254. Passed 11-26-96.)

(b) All general contractors retaining the services of a subcontractor/subcontract labor, are required to provide the City of Eastlake with a list of all subcontractors. The list shall include the name, address, FEIN/social security number, contract amount and approximate days worked. Failure to comply will result in a penalty of 2% of the total contract amount of each project.

(Ord. 2002-182. Passed 12-10-02.)

#### 183.2999 PENALTY.

(a) Whoever violates any provision of this chapter for which no other penalty is provided is guilty of a misdemeanor of the first degree for each offense.

(b) Whoever divulges information in violation of Section 183.2309 is guilty of a misdemeanor of the first degree. Each disclosure shall constitute a separate offense.

(c) Any employee who violates the provisions of Section 183.2309 may be terminated from their employment in the City by the Mayor.

(d) Checks returned to the City for nonsufficient funds will be billed a twenty five dollar (\$25.00) handling fee. A second check returned to the City for nonsufficient funds will be billed a fifty dollar (\$50.00) handling fee and the City will require all future payments to be made by bank check or money order payment only.

(Ord. 1996-256. Passed 11-26-96.)