

TITLE FOUR - Taxation

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CROSS REFERENCES

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

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

Payroll deductions - see Ohio R.C. 9.42

Bond required for carnivals, circuses and other shows - see B.R. & T. 812.05

890.01 LEVY OF TAX; PURPOSE.

There is hereby levied a tax on all salaries, wages, commissions and other compensation, and on net profits as hereinafter provided, for the purposes of providing funds for special improvements of the Municipality.

(Ord. 1968-82. Passed 8-28-68.)

890.02 DEFINITIONS.

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

(a) "Administrator" means the individual designated to administer and enforce the provisions of the Municipality's income tax. The Finance Director, or his or her appointee, shall serve as Administrator.

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

(c) "Board of Review" means the Board created by and constituted as provided in Section 890.42.

(d) "Business" means any enterprise, activity, profession or undertaking of any nature conducted for profit, or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity, excluding, however, all nonprofit corporations which are exempt from the payment of Federal income tax.

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

(f) "Employee" means one who works for wages, salary, commission or other type of compensation in the service of any employer.

(g) "Employer" means an individual, partnership, association, corporation, governmental body, unit or agency or any other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission or other basis of compensation.

(h) "Fiscal year" means an accounting period of twelve months or less, ending on any day other than December 31.

(i) "Gross receipts" means the total income from any source whatever.
(Ord. 1968-82. Passed 8-28-68.)

(j) "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, but subject to adjustment in accordance with the regulations and rules adopted by the Administrator and without deduction of taxes imposed by this chapter, Federal taxes, State taxes and other taxes based on income, and, in the case of an association, without deduction of salaries paid to partners and other owners.

(Ord. 1983-18. Passed 1-26-83.)

(k) "Nonresident" means an individual domiciled outside the Municipality.

(l) "Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the Municipality.

(m) "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 a corporation, the officers thereof.

(n) "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 or her regular employees in attendance.

(o) "Resident" means an individual domiciled in the Municipality.

(p) “Resident unincorporated business entity” means an unincorporated business entity having an office or place of business within the Municipality.

(q) “Taxable income” means wages, salaries and other compensation paid by an employer or employers before any deduction, and/or the net profits from the operation of a business, profession or other enterprise or activity adjusted in accordance with the provisions of this chapter and shall also include the following:

(1) “Business income” means income arising from transactions, activities, and sources in the regular course of a trade or business and includes income from tangible and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of a trade or business operation.

(2) “Compensation” means any form or remuneration including, but not limited to, wages, salaries, commissions, or other types of compensation in service of an employer, paid to an employee or individual for personal services.

(3) “Games of chance winnings” means those monetary prizes received by an individual or an estate after playing a game of chance. These winnings are considered non-business income and are not considered to be intangible income.

(4) “Intangible income” means income of any of the following types: income yield interest, dividends or other income arising from the ownership, sale, exchange or other disposition of intangible property including, but not limited to, investments, deposits, money or credits as those terms are defined in Ohio R.C. Chapter 5701.

(5) “Non-business income” means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, or lottery winnings, prizes and awards.

(6) “Winnings from games of chance” as defined by the Internal Revenue Service Code.

(r) “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.

(s) “Taxpayer” means a person, whether an individual, partnership, association, corporation or other entity, required hereunder to file a return or pay a tax.

(Ord. 1968-82. Passed 8-28-68; Ord. 2003-41. Passed 8-27-03.)

890.03 RATE AND INCOME TAXABLE.

An annual tax for the purpose specified in Section 890.01, shall be imposed on and after January 1, 1995, through December 31, 2004, at the rate of one and one-half percent per annum and on and after January 1, 2005, at the rate of two percent per annum, upon the following:

(a) On all taxable income received during the effective period of this chapter, by residents of the Municipality, including, but not limited to, bonuses, incentives and profit sharing payments, vacation pay, payments received under a wage continuation plan from an employer or third party during periods of disability or sickness, and contributions made by or on behalf of an employee to a tax deferred annuity plan (401K, 403B, IRA, KEOUGH, and other similar plans).

(b) On all taxable income received during the effective period of this chapter by non-residents for work done or services performed or render in this Municipality, including, but not limited to, bonuses, incentive and profit sharing payments, vacation pay, payments received under a wage continuation plan from an employer or third party during periods of disability or sickness, and contributions made by or on behalf of an employee to a tax deferred annuity plan (401K, 403B, IRA, KEOUGH, and other similar plans). In addition, on all taxable income during the effective period of this chapter received or won in the Village by non-residents constituting winnings from wagers or horse races or on games of chance as defined by the Internal Revenue Service Code.

(c) (1) On the portion attributable to the Municipality of the net profits earned during the effective period of this chapter of all resident unincorporated businesses, professions or other entities, derived from sales made, work done, services performed or rendered and business or other activities conducted in the Municipality.

(2) On the portion of the distributive shares of the net profits earned during the effective period of this chapter of a resident partner or owner of a resident unincorporated business entity not attributable to the Municipality and not levied against such unincorporated business entity of the Municipality.

(d) (1) On the portion attributable to the Municipality of net profits earned during the effective period of this chapter of all non-resident unincorporated businesses, professions or other entities, derived from sales made, work done or services performed or rendered and business or other activities conducted in the Municipality, whether or not such unincorporated business entity has an office or place of business in the Municipality.

(2) On the portion of the distributive share of the net profits earned during the effective period of this chapter of a resident partner or owner of a non-resident unincorporated business entity not attributable to the Municipality and not levied against such unincorporated business entity by the Municipality.

(e) On the portion attributable to the Municipality of net profits earned during the effective period of this chapter of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the Municipality, whether or not such corporations have an office or place of business in the Municipality.

- (f) (1) The rental of real estate is ordinarily a business activity, and the income from such rentals are taxable, provided, however, where the taxpayer's entire rental activity produces gross rentals of three thousand dollars (\$3,000.00) per year or less, it will be prima facie evidence that such rentals are not a business activity. If gross rentals of any and all real properties in the aggregate exceed three thousand dollars (\$3,000.00) per year, the entire net income from rentals is taxable and shall be included in the computation of net profits from business activities.
- (2) Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.
- (3) Real property, as the term is used in this chapter, shall include commercial property, residential property, farm property and any and all other types of real estate with the exception of farm property located outside the corporate limits of the Municipality.
- (4) In determining the taxable income from rentals, the deductible expenses shall be of the same nature, extent and amount as are allowed by the Internal Revenue Service for Federal income tax purposes.
- (5) Residents of this Municipality are subject to taxation upon the net income from rentals (to the extent specified above), regardless of the location of the real property owned.
- (6) Non-residents of this Municipality are subject to such taxation only if the real property is situated within the Municipality limits.
(Ord. 1994-36. Passed 8-10-94; Ord. 2003-41. Passed 8-27-03; Ord. 2004-34. Passed 7-14-04. Ord. 2006-51. Passed 10-25-06.)

890.04 EFFECTIVE PERIOD.

The Municipal income tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses, professions or other activities, earned on and after October 1, 1968. (Ord. 1968-82. Passed 8-28-68.)

890.05 METHOD OF DETERMINATION OF TAX.

(a) In the taxation of income which is subject to the Municipal income tax, if the books and records of a taxpayer conducting a business or profession both within and outside the boundaries of the Municipality shall disclose with reasonable accuracy what portion of its net profit is attributable to that part of the business or profession conducted within the boundaries of the Municipality, then only such portion shall be considered as having a taxable situs in the Municipality for the purpose of Municipal income taxation. The portion of the entire net profits of a taxpayer to be allocated as having been derived from within the Municipality, in the absence of actual records thereof, shall be determined as follows:

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, as follows:

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(1) The average net book value of the real and tangible personal property owned or used by the taxpayer in the business or profession in the Municipality, during the taxable period to the average net book value of all 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 includes property rented or leased by the taxpayer, the value of which shall be determined by multiplying the annual rental thereon by eight.

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

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

(b) 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. (Ord. 1968-82. Passed 8-28-68.)

890.06 SALES MADE IN THE MUNICIPALITY.

As used in Section 890.05(a)(3) "sales made in the Municipality" means:

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

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

(c) All sales of tangible personal property which is shipped from a place within the Municipality to purchasers outside the Municipality, regardless of where title passes, if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(Ord. 1968-82. Passed 8-28-68.)

890.07 TOTAL ALLOCATION.

Add together the percentages determined in accordance with Section 890.05(a), 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 this total in order to obtain the business allocation percentage referred to in Section 890.05.

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A factor is applicable even though it may be allocable entirely in or outside the Municipality.
(Ord. 1968-82. Passed 8-28-68.)

890.08 RENTALS.

Rental income received by a taxpayer shall be included in the computation of net profits from business activities under Section 890.03(c) to (g), only if and to the extent that the rental ownership, management or operation of the real estate from which such rentals are derived, whether rented, managed or operated by a taxpayer individually or through agents or other representatives, constitutes a business activity of the taxpayer, in whole or in part.

Where gross monthly rental of any and all real properties, regardless of number and value, aggregates in excess of one hundred twenty-five dollars (\$125.00) per month, it shall be prima-facie evidence that the rental, ownership, management or operation of such properties is a business activity of such taxpayer, and the net income of such rental property shall be subject to tax. However, in the case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits of the lessee,

whether or not such rental exceeds one hundred twenty-five dollars (\$125.00) per month. Further, in the case of farm property, the owner shall be considered engaged in a business activity when he or she shares in crops or when the rental is based on a percentage of the gross of net profits derived from the farm, whether or not the gross income exceeds one hundred twenty-five dollars (\$125.00) per month. Further, the person who operates a licensed rooming house shall be considered in business whether or not the gross income exceeds one hundred twenty-five dollars (\$125.00) per month.

(Ord. 1968-82. Passed 8-28-68.)

890.09 OPERATING LOSS CARRY-FORWARD.

(a) The portion of a net operating loss sustained in any taxable year subsequent to January 1, 1995, allocable to the Municipality, may be applied against the portion of the profit of succeeding tax years allocable to the Municipality until exhausted, but in no event for more than five taxable years immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against net profits of any prior year.

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

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

(Ord. 1968-82. Passed 8-28-68.)

890.10 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 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 or state governments or the Federal Government 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, sporting events and health and welfare activities when 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 damage 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 and which the Municipality is specifically prohibited from taxing, and the 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 of Ohio or any act of the Ohio General Assembly limiting the power of the Municipality to impose net income taxes.
- (Ord. 1968-82. Passed 8-28-68.)

890.11 WHEN RETURNS ARE REQUIRED TO BE MADE.

Each taxpayer, except as herein provided, shall, whether or not a tax is due thereon, make and file a return on or before April 30 of the year following the effective date of this chapter (October 1, 1968) and on or before April 30 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months from the end of such fiscal year or period. The Administrator is hereby authorized to provide by regulation that the return of an employer, showing the amount of tax deducted by such employer from the salary, wages, commissions or other compensation of an employee, and paid by him or her 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. (Ord. 1968-82. Passed 8-28-68.)

890.12 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 such Administrator, setting forth:

- (a) The aggregate amounts of salary, wages, commissions and other compensation earned, and gross income from a business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to the tax;
- (b) The amount of tax imposed by this chapter on such earnings and profits; and
- (c) Such other pertinent statements, information returns or other information as the Administrator may require. (Ord. 1968-82. Passed 8-28-68.)

890.13

EXTENSION OF TIME FOR FILING RETURNS.

Upon the request of the taxpayer, the Administrator may extend the time for filing the annual return for a period not to exceed six months, or one month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax Return. The Administrator may require a tentative return, accompanied by payment of the amount of tax shown to be due thereon, by the date the return is normally due. No penalty or interest shall be assessed in those cases in which the return is filed and the final tax paid within the period as extended.

(Ord. 1968-82. Passed 8-28-68.)

890.14

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 Municipality constituting a portion only of its total business, the Administrator shall require such additional information as he or she deems necessary to ascertain whether net profits are properly allocated to the Municipality. If the Administrator finds that net profits are not properly allocated to the Municipality 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 or she shall make such allocation as he or she deems appropriate to produce a fair and proper allocation of net profits to the Municipality.

(Ord. 1968-82. Passed 8-28-68.)

890.15

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 890.31 through 890.34. Such 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 the filing of the original return.

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

(Ord. 1968-82. Passed 8-28-68.)

890.16 PAYMENT OF TAX ON FILING OF RETURN.

(a) The taxpayer making a return shall, at the time of the filing thereof, pay to the Administrator the amount of taxes shown to be due thereon, provided, however, that where any portion of the tax so due has been deducted at the source pursuant to Section 890.17, or where any portion of such tax has been paid by the taxpayer pursuant to Section 890.18, or where an income tax has been paid to another municipality, credit for the amount so paid, in accordance with Section 890.34, 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 such return.

(b) A taxpayer who has overpaid the amount of tax to which the Municipality is entitled under the provisions of this chapter may have such overpayment applied against any subsequent liability hereunder or, at his or her election, indicated on the return, such overpayment, or a part thereof, shall be refunded, provided that no additional taxes or refunds of less than one dollar (\$1.00) shall be collected or refunded. (Ord. 1968-82. Passed 8-28-68.)

890.17 COLLECTION AT SOURCE.

(a) In accordance with rules and regulations prescribed by the Administrator, each employer within or doing business within the Municipality shall deduct, at the time of the payment of any salary, wage, commission or other compensation, the amount of tax imposed by Section 890.03 on the gross salaries, wages, commissions or other compensation due by the employer to the employee and shall, on or before the twentieth 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 (d) to (f) hereof. Returns shall be on a form prescribed by or acceptable to the Administrator and shall be subject to the rules and regulations prescribed therefor by the Administrator. 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. (Ord. 1996-5. Passed 2-14-96.)

(b) In addition to the requirements set forth in subsection (a) hereof, and in accordance with rules and regulations prescribed by the Administrator, any person or other entity who or which acts as an agent, promoter or employer, or engages services, charges a fee for entering a premises or permits wagering, in connection with a contest involving the racing of horses, dogs or other animals, or cars or other mechanical devices, and makes any payment or disburses any money arising from such event shall be deemed to be an employer and shall, for the purposes of the collection of the income tax, be required to withhold or otherwise calculate, report and pay over to the Administrator a tax on the gross amount of all such payments or disbursements at the rate provided by the Board of Review. The person or other entity making the payment

shall, on or before the twentieth day of the month following the month in which the payment or disbursement was made, pay to the Administrator the amount of taxes so deducted or calculated pursuant to this section. Returns shall be on a form prescribed by or acceptable to the Administrator and shall be subject to the rules and regulations prescribed therefor by the Administrator. The person or other entity making the payment shall be liable for the payment of the tax required to be withheld and/or paid by this section, whether or not such taxes have in fact been withheld.

The person or other entity required to make the above payment shall also submit an annual statement showing the Social Security numbers or Federal identification numbers, the names and addresses, the gross amount paid and the amount of tax withheld or otherwise paid, for all applicable individuals or other entities, to the Administrator on or before February 28 following the year in which the tax was withheld.

Persons from whom such tax is withheld or otherwise paid may submit an annual return on a form provided upon request by the Administrator or on a form acceptable to the Administrator and claim any itemized expenses permitted by that form and Ohio R.C. 718.02 and may claim a refund of all or a portion of the tax withheld or otherwise paid. The Administrator is hereby authorized to require such verification as is needed to determine the actual liability and the validity of the expenses claimed. Persons from whom such tax is withheld or for whom such tax is otherwise paid pursuant to this subsection are not required to file an annual tax return with respect to the income from which taxes were withheld or otherwise paid as a result of this subsection.

(Ord. 1997-56. Passed 10-22-97.)

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

(d) Any employer who deducts the tax of one hundred dollars (\$100.00) or more per month shall pay to the Administrator, before the twentieth day 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.

(e) Payments shall be on a form furnished by or obtainable upon request from the Administrator.

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

(Ord. 1996-5. Passed 2-14-96.)

890.18 DECLARATIONS OF INCOME NOT COLLECTED AT SOURCE.

Every person who anticipates any taxable income which is not subject to Section 890.17, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 890.03, 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, provided, however, that if a person's income is wholly from wages from which the tax will be withheld and remitted to the Municipality in accordance with Section 890.17, such person need not file a declaration.

(Ord. 1968-82. Passed 8-28-68.)

890.19 FILING OF DECLARATION.

(a) The declaration required by Section 890.18 above shall be filed on or before April 30 of each year during the effective period set forth in Section 890.04, 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. 1968-82. Passed 8-28-68.)

890.20 FORM OF DECLARATION.

(a) The declaration required by Section 890.18 shall be filed upon a form furnished by or obtainable from the Administrator, provided, however, that credit shall be taken for Municipal tax to be withheld from any portion of such income. In accordance with the provisions of Section 890.34, 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 herein.

(Ord. 1968-82. Passed 8-28-68.)

890.21 PAYMENT TO ACCOMPANY DECLARATION.

Such declaration of estimated tax to be paid to the Municipality shall be accompanied by a payment of at least one-fourth of the estimated annual tax and at least a similar amount shall be paid on or before the last day of the sixth, ninth and twelfth months after the beginning of the taxable year, provided, however, that in case an amended declaration has been filed, the unpaid balance shown to be due thereon shall be paid in equal installments on or before the remaining payment dates.

(Ord. 1968-82. Passed 8-28-68.)

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890.22 ANNUAL RETURN.

On or before the last day of the fourth month of the year following that for which a declaration or amended declaration was filed, an annual return shall be filed, and any balance which may be due the Municipality shall be paid therewith in accordance with the provisions of Section 890.16.

All residents of the Municipality shall file an annual return or exemption certificate on or before the last day of the fourth month following the end of the year for which the return is due. Joint returns may be filed by husband and wife.

(Ord. 1981-124. Passed 12-9-81.)

890.23 EXTENSION OF TIME FOR FILING, PAYMENT, ETC.

(a) The Administrator may extend the time for filing of any return required, making of any payment, or performing any other act required by this chapter, for a period not to exceed six months beyond the original required date.

(Ord. 1968-82. Passed 8-28-68.)

(b) Individuals serving in the Armed Forces of the United States in a combat zone or in support of the Armed Forces in a combat zone shall be granted an extension of time in which to file their Municipal income tax returns, pay any Municipal income tax due and/or file a claim for credit or refund of Municipal income tax. Said extension shall be for the period of service plus 180 days thereafter.

(Ord. 1991-18. Passed 2-13-91.)

890.24 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 per month or fraction thereof.

(Ord. 1981-125. Passed 12-9-81.)

890.25 PENALTIES ON UNPAID TAX.

In addition to interest as provided in Section 890.24, 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 per month or fraction thereof.

(b) The minimum penalty for failure to file an annual return shall be twenty-five dollars (\$25.00).

(c) For failure to pay taxes withheld from employees: ten percent per month or fraction thereof. (Ord. 1981-125. Passed 12-9-81.)

890.26 EXCEPTIONS TO PENALTY ASSESSMENT.

A penalty shall not be assessed on an additional tax assessment made by the Administrator against a taxpayer when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Administrator. Further, in absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a Federal audit, provided that an amended return is filed and the additional tax is paid within three months after a final determination of the Federal tax liability. (Ord. 1968-82. Passed 8-28-68.)

890.27 ABATEMENT OF INTEREST AND PENALTY.

Upon the recommendation of the Administrator, the Board of Review may abate penalty or interest, or both, or upon an appeal from the refusal of the Administrator to recommend abatement of penalty and/or interest, the Board may nevertheless abate penalty or interest, or both, for good cause shown. (Ord. 1968-82. Passed 8-28-68.)

890.28 VIOLATIONS.

No person shall:

(a) Fail, neglect or refuse to make any return or declaration required by this chapter;

(b) Make an incomplete, false or fraudulent return;

(c) Fail, neglect or refuse to pay the tax, penalties or interest imposed by this chapter;

(d) Fail, neglect or refuse to withhold the tax from his or her employees or remit such withholding to the Administrator;

(e) Refuse to permit the Administrator, or any duly authorized agent or employee, to examine his or her books, records, papers and Federal Income Tax Returns relating to the income or net profits of a taxpayer;

(f) Fail to appear before the Administrator and to produce his or her 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) Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer;

(h) Fail to comply with the provisions of this chapter or any order or subpoena of the Administrator authorized hereby;

(i) Give to any employer false information as to his or her true name, correct social security number and residence address or fail to promptly notify an employer of any change in his or her residence address or the date thereof;

(j) Fail to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and Municipal tax withheld, or knowingly give the Administrator false information; or

(k) Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter.

(Ord. 1968-32. Passed 8-28-68.)

890.29 LIMITATION ON PROSECUTION.

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

890.30 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 or her from making any information return, return or declaration, from filing such form or from paying the tax.

(Ord. 1968-82. Passed 8-28-68.)

890.31 UNPAID TAXES RECOVERABLE AS OTHER DEBTS.

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 three years from the time the return was due or filed, whichever is later, provided, however, that in those cases in which the 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 one year from the time of the final determination of the Federal tax liability.

(Ord. 1968-82. Passed 8-28-68.)

890.32 REFUNDS OF TAXES ERRONEOUSLY PAID.

Taxes erroneously paid shall not be refunded unless a claim for refund is made within three years from the date on which such payment was made or the date on which the return was due, or within three months after the final determination of the Federal tax liability, whichever is later. (Ord. 1968-82. Passed 8-28-68.)

890.33 AMOUNTS OF LESS THAN ONE DOLLAR.

Amounts of less than one dollar (\$1.00) shall not be collected or refunded.
(Ord. 1968-82. Passed 8-28-68.)

890.34 CREDIT FOR TAX OF ANOTHER MUNICIPALITY.

(a) After December 31, 1994, and for the 1995 tax year and all years thereafter, when a resident of the Municipality is subject to a municipal income tax in another municipality on the same income taxable under this chapter, a credit shall be allowed against the Northfield income tax based on the amount of the net tax for which he or she 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 Northfield shall not be entitled to such credit if he or she fails, neglects or refuses to timely file a tax return or form as is prescribed by the Administrator and required by this chapter.

(b) Additional revenues from the tax increase provided for herein shall be used for the servicing and repairing of the Municipality's roads.
(Ord. 1994-36. Passed 8-10-94.)

890.35 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 provided for in subsection (a) hereof shall be deposited in the Special Improvement Fund. (Ord. 1968-82. Passed 8-28-68.)

890.36 DUTIES AND AUTHORITY OF THE ADMINISTRATOR.

(a) Duty to Receive Tax Imposed. 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.

(b) Duty to Enforce Collection. The Administrator shall enforce payment of all taxes owed to the Municipality, keep accurate records for a minimum of five 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.

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

(d) Authority to Arrange Installment Payments. The Administrator is hereby 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 hardships and conditions, he or she 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 or her under this chapter.

Failure to make any deferred payment when due shall cause the total unpaid amount, including penalty and interest, to become due and payable upon demand, and the provisions of Sections 890.28 and 890.31 shall apply.

(e) 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 Municipality 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.

(f) 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 or her duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.

(g) Authority to Compel Production of Records. The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before him or her 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 or her, whether as parties or witnesses, whenever he or she believes such persons have knowledge of such income or information pertinent to such inquiry.

(Ord. 1968-82. Passed 8-28-68.)

890.37 REFUSAL TO PRODUCE RECORDS.

The refusal to produce books, papers, records and Federal Income Tax Returns, or the refusal to submit to such examination, by any employer or person 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 the 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 890.99. (Ord. 1968-82. Passed 8-28-68.)

890.38 CONFIDENTIAL NATURE OF INFORMATION OBTAINED;
DISCLOSURE.

Any information gained as the result of any returns, investigations, hearings or verifications required or otherwise authorized by this chapter shall be confidential except for official purposes, or except in accordance with proper judicial order. No person shall divulge such information in violation of this section. (Ord. 1968-82. Passed 8-28-68.)

890.39 TAXPAYER REQUIRED TO RETAIN RECORDS.

Every taxpayer shall retain all records necessary to compute his or her tax liability for a period of five years from the date his or her return is filed or the withholding taxes are paid. (Ord. 1968-82. Passed 8-28-68.)

890.40 AUTHORITY TO CONTRACT FOR ADMINISTRATION AND
CENTRAL COLLECTION.

The Mayor is hereby authorized to enter into an agreement on behalf of the Municipality with any other municipal corporation, firm or private corporation to permit such other municipal corporation, firm or private corporation to act as agent for the Municipality for the purpose of administering the income tax laws of the Municipality and for the purpose of providing a central collection facility for the collection of the income tax on behalf of the Municipality. Such agreement shall be approved by Council. (Ord. 1968-82. Passed 8-28-68.)

890.41 ASSIGNMENT OF DUTIES AND AUTHORITY OF THE
ADMINISTRATOR.

In the event the Mayor, on behalf of the Municipality, enters into an agreement with any other municipal corporation, firm or private corporation, to act as agent for the purpose of administering the income tax laws of the Municipality and for the purpose of providing a central facility for the collection of the income tax, as provided in Section 890.40, then all or part of the duties and authority of the Administrator may be assigned by such agreement to such other entity. Such agreement shall be approved by Council. (Ord. 1968-82. Passed 8-28-68.)

890.42 BOARD OF REVIEW.

(a) Establishment. A Board of Review, consisting of the Chairperson of the Finance Committee of Council or a person designated by him or her, the Law Director and a resident elector appointed by Council, is hereby created. The Board shall select, each year for a one-year term, one of its members to serve as Chairperson and one 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. Any hearing by the Board shall be conducted privately and the provisions of Section 890.38 with reference to the confidential character of information required to be disclosed by this chapter shall apply to such matters as may be heard before the Board on Appeal.

(b) 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, subject to confirmation of Council, before the same 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 authorized to substitute alternative methods of allocation.

(c) Right of Appeal. Any person dissatisfied with any ruling or decision of the Administrator which is made under the authority conferred by this chapter may appeal therefrom to the Board of Review within thirty days from the announcement of such ruling or decision by the Administrator, and the Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof. (Ord. 1968-82. Passed 8-28-68.)

890.43 DECLARATION OF LEGISLATIVE INTENT; SEVERABILITY.

If any sentence, clause, section or other 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 sentence, clause, section or other part of this chapter, and shall not affect or impair any of the remaining 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 other part of this chapter not been included herein.

(Ord. 1968-82. Passed 8-28-68.)

890.44 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 the actions and proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective and until all of such taxes levied in the aforesaid period are fully paid and until 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 890.28 through 890.33.

(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 890.11 and 890.17 as though the same were continuing. (Ord. 1968-82. Passed 8-28-68.)

890.99 PENALTY.

(a) Whoever violates any of the provisions of this chapter is guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars (\$1,000) or imprisoned not more than six months, or both, for each offense. A separate offense shall be deemed committed each day during or on which a violation occurs or continues. In the case of a violation of Section 890.38, each disclosure shall constitute a separate offense.

(b) In addition to the penalty provided in subsection (a) hereof, each employee of the Municipality who violates Section 890.38, relative to the disclosure of confidential information, shall be immediately dismissed from the service of the City.