

CHAPTER 161
Income Tax

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EDITOR'S NOTE: Tax rules and regulations are published separately and are available on request from the Tax Administrator.

CROSS REFERENCES

- Power to pass income tax law - see Ohio Const., Art. XII, Sec. 8
- Apportionment - see Ohio Const., Art. XII, Sec. 9
- Municipal power to levy - see Ohio Const., Art. XVIII, Sec. 3
- Income tax approval required by electors - see CHTR. Art. **VIII**
- Payroll deductions - see Ohio R.C. 9.42
- Prohibitions - see Ohio R.C. 718.01
- Uniform rates - see Ohio R.C. 718.01
- Election - see Ohio R.C. 718.01
- Municipal limitation - see Ohio R.C. 718.06
- Limitation of act - see Ohio R.C. 718.06

161.01 PURPOSE.

To provide funds for the purposes of general municipal operations, maintenance of equipment, new equipment, extension and enlargement of municipal services and facilities, and capital improvements of the City there is hereby levied a tax of 1.25 percent per annum effective January 1, 2004, on salaries, wages, commissions and other compensation and on net profits as hereinafter provided in this chapter, with 0.25 percent of total income tax collections, net of collection costs, restricted for street, storm water, and utility construction, maintenance, repair and improvements. (Ord. 114-03. Passed 7-28-03.)

161.02 DEFINITIONS.

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

- (a) "Administrator" means the Director of Finance or his authorized representative.
- (b) "Association" means a 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 [161.13](#).
- (d) "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity, including but not limited to the renting or leasing of property, real, personal or mixed.
- (e) "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.
- (f) "Employee" means one who works for wages, salary, commission or other type of compensation in the service of an 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 compensation basis.
- (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 whatsoever.
- (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, without deduction of taxes imposed by this chapter, federal, state and other taxes based on income; and in the case of an association, without deduction of salaries paid to partners and other owners; and otherwise adjusted to the requirements of this chapter.
- (k) "Nonresident" means an individual domiciled outside the City.
- (l) "Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the City.
- (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, means the partners or members thereof, and as applied to corporations, 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 regular employees regularly in attendance.

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

(p) "Resident unincorporated business entity" means an unincorporated business entity having an office or place of business within the City.

(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.

(r) "Taxable year" means the calendar year or the fiscal year upon the basis of which net profits are to be computed under this chapter and, in the case of a return for a fractional part of a year, the period for which such return is required to be made.

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

(t) The singular includes the plural, and the masculine includes the feminine and the neuter.

(Ord. 85-73. Passed 8-6-73.)

161.03 IMPOSITION OF TAX.

(a) Subject to the provisions of Section [161.15](#), an annual tax for the purposes specified in Section [161.01](#) hereof shall be imposed on and after January 1, 2004, at the rate of 1.25 percent per annum with 0.25 percent of total income tax collections, net of collection costs, restricted for street, storm water, and utility construction, maintenance, repair and improvements, upon the following:

(1) On all salaries, wages, commissions and other compensation earned during the effective period of this chapter by residents of the City.

(2) On all salaries, wages, commissions and other compensation earned during the effective period of this chapter by nonresidents for work done or services performed or rendered in the City.

(3) A. On the portion attributable to the City 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 City.

B. 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 resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity by the City.

(4) A. On the portion attributable to the City of the net profits earned during the effective period of this chapter of all nonresident 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 City whether or not such unincorporated business entity has an office or place of business in the City.

B. 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 nonresident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity by the City.

(5) On the portion attributable to the City of the 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 City, whether or not such corporations have an office or place of business in the City.

(Ord. 114-03. Passed 7-28-03.)

(b) The portion of the net profits attributable to the City of a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio R.C. 718.02 and in accordance with the rules and regulations adopted by the Administrator pursuant to this chapter.

(c) Operating Loss Carry- Forward.

(1) The portion of a net operating loss sustained in any taxable year subsequent to November 12, 1973, allocable to the City may be applied against the portion of the profit of succeeding years allocable to the City until exhausted, but in no event for more than five taxable years. No portion of a net operating loss shall be carried back against net profits of any prior year.

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

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

(d) Consolidated Returns.

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

(2) In the case of 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 deems necessary to ascertain whether net profits are properly allocated to the City. If the Administrator finds 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 deems appropriate to produce a fair and proper allocation of net profits to the City.

(Ord. 85-73. Passed 8-6-73.)

(e) Exceptions. The tax provided for herein shall not be levied upon the military pay or allowances of members of the armed forces of the United States, or upon the net profits of any civic, charitable, religious, fraternal or other organization specified in Ohio R.C. 718.01 to the extent that such net profits are exempted from municipal income taxes under such section. Further, exception shall be granted to all natural persons under the age of sixteen years on December 31 of any tax year.

(Ord. 83-94. Passed 4-25-94.)

161.04 EFFECTIVE PERIOD.

Such 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 beginning November 12, 1973, and this chapter shall continue from year to year thereafter unless repealed. Such chapter, insofar as the collection of taxes levied in the aforesaid period and actions or proceedings for collecting any tax so levied or enforcing any provisions of such chapter, are concerned 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 such taxes, or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Sections [161.11](#) and [161.99](#) hereof.

(Ord. 85-73. Passed 8-6-73.)

161.05 RETURN AND PAYMENT OF TAX.

(a) Filing Tax Return. 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, 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.

(Ord. 182-93. Passed 12-6-93.)

(b) Return Forms; Contents. The return shall be filed with the Administrator on a form or forms furnished by or obtainable upon request from such Administrator setting forth:

(1) A. The aggregate amount of salaries, wages, commissions and other compensation earned; and

B. The gross income from a business, profession or other activity less ordinary, reasonable and necessary expenses incurred in the acquisition of such gross income.

C. Such income shall include only income earned during the year, or portion thereof, covered by the return and subject to the tax imposed by this chapter.

(2) The amount of tax imposed by this chapter on earnings and profits; and

(3) Such other pertinent statements, information returns or other information as the Administrator may require.

(c) Extended Time Period for Filing Return. The Administrator may extend the time for filing of the annual return upon the request of the taxpayer for a period of 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. 85-73. Passed 8-6-73.)

(d) Payment of Taxes at Time of Filing.

(1) The taxpayer making a return shall, at the time of filing thereof, pay to the Administrator the amount of taxes shown as due thereon; provided, however, that where any portion of the tax so due the City of Medina shall have been deducted at the source pursuant to the provisions of Section [161.06](#), only the balance, if any, shall be due and payable at the time of filing said return.

(Ord. 145-94. Approved by voters 11-8-94.)

(2) A taxpayer who has overpaid the amount of tax to which this Municipality is entitled under the provisions of this chapter may have such overpayment applied against any subsequent liability hereunder or, at his election indicated on the return, such overpayment (or part thereof) shall be refunded, provided that no additional taxes or refunds of less than five dollars (\$5.00) shall be collected or refunded.

(Ord. 182-93. Passed 12-6-93.)

(e) Amended Returns.

(1) 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 and/or limitations contained in Sections [161.11](#) and [161.99](#). Such amended returns 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.

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

(f) Due Date for Last Effective Year. Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided in this section and in Section [161.06](#) as though the same were continuing.

(Ord. 85-73. Passed 8-6-73.)

161.06 COLLECTION AT SOURCE.

(a) In accordance with rules and regulations prescribed by the Administrator, each employer within or doing business within this Municipality shall deduct at the time of the payment of such salary, wage, commission or other compensation, the tax of one-half of one percent of the gross salaries, wages, commissions or other compensation due by the employer to such employee and shall, on or before the last day of the month following the close of each calendar quarter, make a return and pay to the Administrator the amount of taxes so deducted. Such 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. 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.

(1) Such employer who deducts the tax in an amount of one hundred dollars (\$100.00) or more in the first or second month of a calendar quarter, shall on or before the twentieth day of the following month, pay to the Administrator the amount of taxes so deducted.

(2) Such employer who makes such payments on a monthly basis for the first two months of a calendar quarter shall pay such tax deducted for the third month of a calendar quarter at the regular time for filing the employer's quarterly return of income tax withheld.

(b) Such employer in collecting this tax shall be deemed to hold the same, until payment is made by such employer to this Municipality, as a trustee for the benefit of this Municipality and

any such tax collected by such employer from his employees, shall, until the same is paid to this Municipality, be deemed a trust fund in the hands of such employer.

(c) On or before January 31 of each year beginning with the year 1974, 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 Administrator. All payments not subject to withholding shall be reported on a form required by the Administrator.

(d) The taxpayer making the declaration shall, at the time of the filing thereof, pay to the Administrator at least one-fourth of the estimated annual tax due after deducting:

- (1) Any portion of such tax to be deducted or withheld at the source pursuant to this section;
- (2) Any credits allowable under the provisions of Section [161.14](#) hereof; and
- (3) Any overpayment of previous year's tax liability which taxpayer has not elected to have refunded.

At least a similar amount shall be paid on or before the last day of the sixth, ninth, and thirteenth month after the beginning of taxpayer's taxable year, provided that in case an amended declaration has been duly filed, or the taxpayer is taxable for a portion of the year only, the unpaid balance shall be paid in equal installments on or before the remaining payment dates. (Ord. 211-94. Passed 12-12-94.)

161.07 DECLARATIONS.

(a) Every person who anticipates any taxable income which is not subject to Section [161.06](#), or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section [161.03](#) 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 City of Medina in accordance with Section [161.06](#), such person need not file a declaration.

(b) (1) Such declaration shall be filed on or before April 30 of each year during the life of this chapter, or within four months of the date the taxpayer becomes subject to tax for the first time.

(2) 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. 211-94. Passed 12-12-94.)

(c) (1) Such declaration shall be filed upon a form furnished by, or obtainable from, the Administrator. Credit shall be taken for the City of Medina income tax withheld, if any, from any portion of such income.

(Ord. 145-94. Approved by voters 11-8-94.)

(2) 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.

(d) The taxpayer making the declaration shall, at the time of the filing thereof, pay to the Administrator at least one-fourth of the estimated annual tax due after deducting:

- (1) Any portion of such tax to be deducted or withheld at the source pursuant to Section [161.06](#) hereof;
- (2) Any credits allowable under the provisions of Section [161.14](#) hereof; and
- (3) Any overpayment of previous year's tax liability which the taxpayer has not elected to have refunded.

At least a similar amount shall be paid on or before the last day of the sixth, ninth and twelfth month after the beginning of taxpayer's taxable year, provided that in case an amended declaration has been duly filed, or the taxpayer is taxable for a portion of the year only, the unpaid balance shall be paid in equal installments on or before the remaining payment dates.

(e) On or before the last 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 [161.05](#) hereof.

(Ord. 211-94. Passed 12-12-94.)

161.08 DUTIES OF THE ADMINISTRATOR; DEPARTMENT OF TAXATION CREATED.

(a) (1) It shall be the duty of the Administrator to receive the tax imposed by this chapter in the manner prescribed herein from the taxpayers; to keep an accurate record thereof; and to report all moneys so received.

(2) It shall be the duty of the Administrator to enforce payment of taxes owing the City, to keep accurate records for a minimum of five years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amount of payments thereof.

(b) Such 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 reexamination and correction of returns.

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 [161.11](#) and [161.99](#) shall apply.

(c) 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.

(d) The Department of Taxation is hereby created within the office of the Director of Finance. Such Department of Taxation shall have such deputies, clerks and other employees as may be from time to time determined by Council, and shall receive such salary as may be determined by Council. The Director of Finance shall recommend all appointments of personnel and purchase all equipment, supplies and materials for the Department of Taxation subject to the appropriation by Council. The Department shall be charged with the administration and operation of this chapter under the direction of the Director of Finance. The Director of Finance shall prescribe the form and method of accounts and reports for such Department as well as the forms for taxpayers' returns and declarations, and shall be charged with the internal examination and audit of all such accounts, and shall exhibit accurate records showing the amount received from each taxpayer and the date of such receipt. The Director of Finance shall also make written report to Council annually of all moneys collected hereunder during the preceding year. (Ord. 85-73. Passed 8-6-73.)

161.09 INVESTIGATIVE POWERS OF THE ADMINISTRATOR; PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION.

(a) 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.

(b) 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.

(c) The refusal to produce books, papers, records and Federal income tax returns, or the refusal to submit to such examination by any employer or person subject or presumed to be subject to the tax or required to withhold tax or the failure of any person to comply with the provisions of this section or with an order or subpoena of the Administrator authorized hereby shall be deemed a violation of this chapter, punishable as provided in Section [161.99](#) hereof. (Ord. 85-73. Passed 8-6-73.)

(d) Any information gained as a result of the filing of any tax returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, except for official purposes, except in accordance with proper judicial order, or except in accordance with the City

of Medina-Montville Township Joint Economic Development District and Annexation Contract. Any person divulging such information in violation of this chapter shall be fined not more than five hundred dollars (\$500.00) or imprisoned for not more than six months, or both. Each disclosure shall constitute a separate offense.

Except as provided in the City of Medina-Montville Township Joint Economic Development District and Annexation Contract, in addition to the above penalty, any employee of the City of Medina who violates the provisions of this section relative to the disclosure of confidential information shall be immediately dismissed from the service of the City.
(Ord. 78-11. Passed 5-23-11.)

(e) Every taxpayer shall retain all records necessary to compute his tax liability for a period of five years from the date his return is filed, or the withholding taxes are paid.
(Ord. 85-73. Passed 8-6-73.)

161.10 INTEREST AND PENALTIES.

(a) 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.

(b) In addition to interest as provided in subsection (a) hereof, penalties based on the unpaid tax are hereby imposed as follows:

(1) For failure to pay taxes due, other than taxes withheld: one and one-half percent per month or fraction thereof. Minimum penalty for failure to file annual returns when due, twenty-five dollars (\$25.00).

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

(Ord. 75-80. Passed 6-23-80.)

(c) Exceptions. A penalty shall not be assessed 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; and provided further, that, in the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a Federal audit, provided an amended return is filed and the additional tax is paid within three months after final determination of the Federal tax liability.

(d) Upon 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 interest, the Board may nevertheless abate penalty or interest, or both.
(Ord. 85-73. Passed 8-6-73.)

161.11 COLLECTION OF UNPAID TAXES AND REFUNDS OF OVERPAYMENTS.

(a) 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. The Finance Director shall be responsible for establishing procedures for collection of delinquent taxpayer accounts and may outsource collections for said accounts. Except in the case of fraud, of omission of a substantial portion of income tax 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. However, 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.

(b) All fees assessed by outside collection agencies shall be paid by the delinquent taxpayer.

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

(d) Minimum Amounts. Amounts of less than five dollars (\$5.00) shall not be collected or refunded.

(e) Outside Collection Agencies. The Law Director is authorized to retain outside counsel for collection matters, including but not limited to, collection of delinquent Municipal income tax. (Ord. 19-13. Passed 2-11-13.)

161.12 BOARD OF REVIEW ESTABLISHED; MEMBERSHIP; POWERS AND DUTIES; APPEALS.

(a) A Board of Review, consisting of three electors of the City, one to be appointed by the Mayor, one to be appointed by Council and the third to be elected by two so appointed, is hereby created. No member shall be appointed to the Board who holds other public office or appointment. The members of the Board of Review shall serve without pay. A majority of the members of the Board shall constitute a quorum. The Board of Review shall adopt its own procedural rules; it shall keep a record of its transactions. Each member of the Board shall serve for one year or until his successor is appointed and acting. The term of the member appointed by the Mayor shall expire December 31, 2012 and every three years thereafter. The term of the member appointed by Council shall expire December 31, 2013 and every three years thereafter. The term of the member appointed by the other two members shall expire December 31, 2014 and every three years thereafter. In the case of a vacancy in any of the positions on the Board, that vacancy shall be filled by the appointing authority responsible for filling that position and the person so appointed shall serve for the duration of the unexpired term. (Ord. 147-12. Passed 8-27-12.)

(b) Any hearings of the Board may be conducted privately and the provisions of Section [161.09](#) hereof, 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.

(c) 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 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 empowered to substitute alternate methods of allocation.

(d) 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. 160-03. Passed 10-14-03.)

(e) The Administrator shall have the authority to determine issues regarding a municipal income tax obligation that is subject to appeal and to waive disputed amounts up to five hundred dollars (\$500.00). The Administrator shall notify the taxpayer of their right to appeal a decision and the manner in which they may appeal in accordance with the provisions of this chapter.

(Ord. 212-08. Passed 12-8-08.)

161.13 ALLOCATION OF FUNDS .

The funds collected under the provisions of this chapter shall be distributed as follows beginning January 1, 2016:

(a) Such part thereof which is necessary to defray all costs of collecting the taxes and the cost of administering and enforcing the provisions thereof shall be paid into the General Fund.

(b) Twenty percent (20%) of the balance shall be paid into the newly created Special Revenue Fund (2004) to be used for street, storm water, and utility construction, maintenance, repair and improvements.

(c) After the costs of collecting the taxes and administering and enforcing the provisions thereof and the required street, storm water, and utility construction, maintenance, repair and improvements are provided for as set forth in subsections (a) and (b) above, the remaining funds shall be distributed as follows:

A. Forty-four and one-half percent (44.5%) of the net available income tax receipts received annually shall be used to defray operating and capital expenses of the Police Department of the City.

B. Seven percent (7%) of the net available income tax receipts received annually shall be used to defray operating and annual capital expenses of the Fire Department of the City.

C. One and one-half percent (1.5%) of the net available income tax receipts received annually shall be set aside in a growth fund to be used to defray major capital expenses of the Fire Department of the City.

D. Nine and one-half percent (9.5%) of the net available income tax receipts received annually shall be used to defray operating expenses for the Parks and Recreation Department of the City.

E. Zero percent (0%) of the net available income tax receipts received annually shall be used to defray capital expenses for the Parks and Recreation Department of the City.

F. Zero percent (0%) of the net available income tax receipts received annually shall be used to defray Recreation Center debt for the Parks and Recreation Department of the City.

G. Twenty-five and one-half percent (25.5%) of the net available income tax receipts received annually shall be used to defray operating and capital expenses of the General Fund of the City.

H. Two and one-half percent (2.5%) of the net available income tax receipts received annually shall be used to defray general purpose capital expenses.

I. One and one-half percent (1.5%) of the net available income tax receipts received annually shall be used to defray Electronic Technology capital replacement expenses.

J. Zero percent (0%) of the net available income tax receipts received annually shall be used to defray expenses related to unanticipated capital necessities.

K. Seven percent (7%) of the net available income tax receipts received annually shall be used to defray operating and annual capital expenses of the Recreation Center of the City.

L. One percent (1%) of the net available income tax receipts received annually shall be used to defray operating and capital expenses of the Street M&R Fund of the City.

(d) Exception for Receipts from the Medina-Montville Joint Economic Development District. After the costs of collecting the taxes and administering and enforcing the provisions thereof and the required street, storm water, and utility construction, maintenance, repair and improvements are provided for as set forth in subsection (a) and (b) above, the remaining funds shall be distributed as follows:

(1) Seventy-five percent (75%) of the net available income tax receipts received annually shall be used to defray Economic Development expenses.

(2) Twenty-five percent (25%) of the net available income tax receipts received annually shall be distributed in accordance with the distribution laid out in subsection (c) above.

(Ord. 154-15. Passed 12-14-15.)

161.14 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY.

When the taxable income of a resident of the City of Medina is subject to a municipal income tax in another municipality on the same income taxable under this chapter, effective January 1, 2004, such resident shall be allowed a credit of the amount of income tax paid on such taxable income to such other municipality, equal to twenty-five percent (25%) of the City of Medina income tax in excess of 0.50 percent. For the purposes of this section, "taxable income" includes the distributive share of net profits of a resident partner or owner of an unincorporated business entity. (Ord. 114-03. Passed 7-28-03.)

161.15 SAVING CLAUSE.

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. 85-73. Passed 8-6-73.)

161.16 IMPOSITION OF TAX IN COOPERATIVE ECONOMIC DEVELOPMENT AREAS.

The tax provided herein shall not be levied upon any resident within any Cooperative Economic Development Area (CEDA) created under Ohio R.C. 701.07 until such time as set forth in the agreement creating the CEDA in which the resident is domiciled.
(Ord. 180-03. Passed 10-27-03.)

161.99 PENALTY.

- (a) Whoever violates this chapter by any of the following subsections (a)(1) through (a)(11) shall be fined not more than five hundred dollars (\$500. 00) or imprisoned not more than six months or both for each offense.
- (1) Fails, neglects or refuses to make any return or declaration required by this chapter;
 - (2) Makes any incomplete, false or fraudulent return;
 - (3) Willfully fails, neglects or refuses to pay the tax, penalties or interest imposed by this chapter;
 - (4) Willfully fails, neglects or refuses to withhold the tax from his employees or remit such withholding to the Administrator;
 - (5) 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;
 - (6) 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;
 - (7) Refuses to disclose to the Administrator any information with respect to the income or net profits of a taxpayer;
 - (8) Fails to comply with the provisions of this chapter or any order or subpoena of the Administrator authorized hereby;
 - (9) 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 residence address and date thereof;
 - (10) Fails to use ordinary diligence in maintaining proper records of employee's residence addresses, total wages paid and the City tax withheld, or knowingly gives the Administrator false information; or
 - (11) 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.

(b) Prosecution for an offense made punishable under this section or any other provision of this chapter shall be commenced within three years after the commission of the offense, provided that in the case of fraud, failure to file a return or the omission of twenty- five percent or more of income required to be reported, prosecutions may be commenced within six years after the commission of the offense.

(c) 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. 85-73. Passed 8-6-73.)