

RITA Legislation and Litigation Updates Webinar

September 27, 2023



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Navigating the Webinar



RITA's Legislation and Litigation
Updates Webinar
Wednesday, September 27, 2023
10:00 AM Eastern Time

Ask us a
Question

NEW!
See Questions
Asked & RITA
Responses

|| 🔊 0:00 / 0:00

- Ask Question
- Q&A
- Materials
- Survey

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PDF of our
presentation

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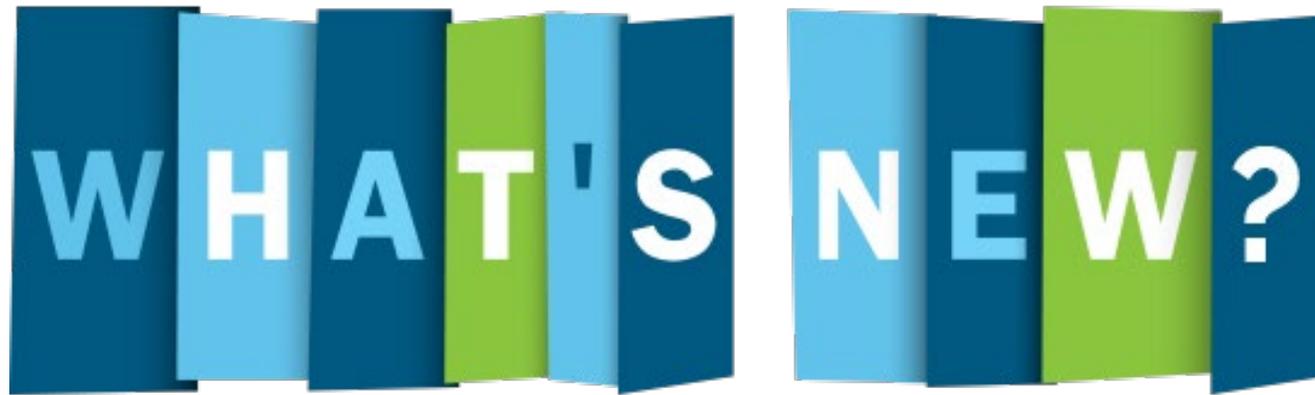
Amy Arrighi, Executive Director
Bob Meaker, Chief of Tax Operations
Amber Greenleaf Duber, Chief Legal Counsel

Survey

Legislation and Litigation Updates Webinar

Agenda

- H.B. 33 Municipal Income Tax Changes
- Pending Legislation
- Pending Litigation
- Q&A
- Friendly Reminders



WHAT'S NEW?

Legislation – Ohio House Bill 33

Overview – “The Bill”

- House Bill 33 (“H.B. 33”), signed by Governor DeWine on July 3, 2023, is the State’s biennial operating budget bill for Ohio’s fiscal years 2024-2025.

H.B. 33 – Municipal Income Tax Provisions

JEDDs and JEDZs

- Publish notice of adoption of a resolution imposing a municipal income tax in a newspaper for two weeks prior to effective date of tax.
- If no general circulation newspaper, need to post notice in five public places in district/zone at least 15 days prior to effective date of tax.
- Effective 10.1.2023.

H.B. 33 – Municipal Income Tax Provisions

Age Exemption

- Across the board under 18 exemption.
- Effective tax year (TY) 2024.
- If currently tax income of under 18, required to adopt exemption by ordinance or resolution.

H.B. 33 – Municipal Income Tax Provisions

Existing Language Correction

- Makes a cross-reference correction to existing net operating loss carryforward language.
- Effective TY 2023.
- All municipalities to adopt by ordinance or resolution.

H.B. 33 – Municipal Income Tax Provisions

Net Profit and Remote Workers

- Allows businesses to apportion payroll, sales and property to a designated “reporting location” instead of the remote location where an employee is working.
- Businesses may choose to apportion to each location where remote work is performed.
- Effective TYs ending on or after 12.31.23.

H.B. 33 – Municipal Income Tax Provisions

Net Profit Extension Due Date

- Filing deadline extended by one month, to the 15th day of the 11th month after the end of taxpayer's tax year.
- Effective tax years ending on or after 1.1.2023.

H.B. 33 – Municipal Income Tax Provisions

Communications

- Prohibited from sending non-filing inquiries or notices before federal extension deadline.
- Municipality required to reimburse a taxpayer up to \$150 for costs incurred to respond.
- Municipality required to notify Tax Commissioner (TC) of any change to tax rate within 60 days.
- Changes to net profit opt-in reports from TC to municipalities.

H.B. 33 – Municipal Income Tax Provisions

Late Filing Penalty

- Modifies late filing fee from a max of \$150 per occurrence to max of \$25 per occurrence.
- Requires first time waiver.
- Effective TYs ending on or after 1.1.2023.



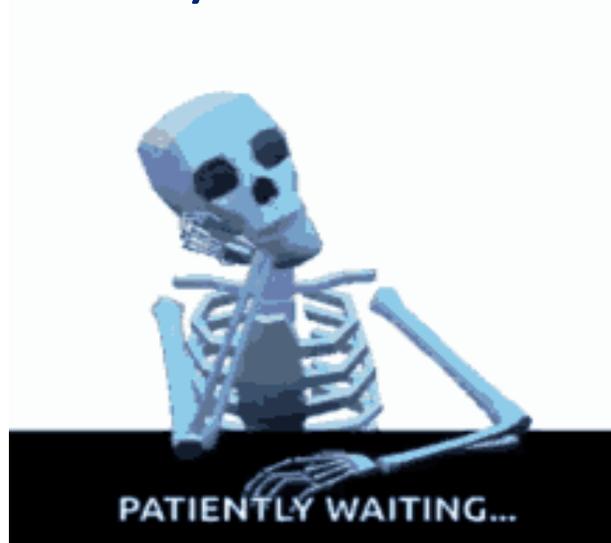
Pending Legislation and Litigation Updates

Pending Legislation

- H.B. 126 expands the military income exemption from “armed forces” to “uniformed services.”
- H.B. 166 subjects the income of foreign temporary agricultural workers to municipal income tax.
- S.B. 75 allows certain municipalities to form joint economic development districts without a township as a party.

Pending Litigation

- *Buckeye Inst. v. Kilgore*, 2021-Ohio-4196 (10th Dist.), *appeal not accepted* – City of Columbus
- *Schaad v. Alder*, 2022-Ohio-340 (1st Dist.), Ohio Supreme Court Case No. 2022-0316 – City of Cincinnati. ***Oral arg. March 1, 2023***



Pending Litigation

- *Curcio v. Hufford*, G-4801 CL-22-1009, Sixth District Court of Appeals, *appeal pending* – Cities of Oregon & Toledo
- *Morsy v. Dumas*, CA-22-112061, Eighth District Court of Appeals, *appeal pending* – City of Cleveland
- *Krevesic v. Chittok*, CV-23-01-0031, Summit County Common Pleas Court – City of Akron
- *Office v. City of Springboro*, 2022-603, Ohio Board of Tax Appeals
- City of Columbus, new case on hold at Columbus BTA

Questions

Participant Questions

Ask us a Question

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REMINDERS

Save the Date

RITA's Annual Tax Update Webinar

- Friday, January 19, 2024
- CPE Credits will be offered

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LinkedIn

[linkedin.com/company/regional-income-tax-agency/](https://www.linkedin.com/company/regional-income-tax-agency/)

RITA Services for Ohio Cities and Villages

- RITA's shared services offer municipalities a comprehensive, efficient and effective solution for income tax collection that results in cost savings and increased tax collections;
- RITA maximizes municipal tax collection for the support of local services and amenities;
- RITA simplifies filing and payment processes for residents and businesses.

For more information about how RITA can serve your municipal income tax needs, please contact our Member Services Department at 866-252-0913 or memberservices@ritaohio.com.

We Value Your Input

Feedback Survey

- Today's webinar
- Potential topics for future webinars

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