

Sponsor: Manager Rebecca A. Hopkins

First Reading:	March 13, 2017
Second Reading:	Suspended
Third Reading:	Suspended
Adopted:	March 13, 2017

**VILLAGE OF LINCOLN HEIGHTS
HAMILTON COUNTY, OHIO
RESOLUTION NO. 2017-R-4**

**RESOLUTION OPPOSING THE PROPOSAL IN THE OHIO GOVERNOR'S PROPOSED
2017-2018 BUDGET TO CENTRALIZE COLLECTION OF NET PROFIT TAX RETURNS AND
OTHER PROVISIONS RELATED TO MUNICIPAL INCOME TAXES**

- WHEREAS,** The Ohio Governor has issued a proposed budget for 2017-2018, in which he seeks to centralize collection of net profit tax returns and other provisions related to the municipal income taxes that will cause a substantial loss of revenue necessary to support the health, safety, welfare, and economic development efforts of Ohio municipalities;
- WHEREAS,** The Village of Lincoln Heights has been advised of a proposal by Ohio Governor Kasich and his administration to institute a state-operated program for the centralized collection of Ohio municipal income tax;
- WHEREAS,** The proposal for a state takeover of collection of the municipal income taxes of municipalities such as the Village of Lincoln Heights is an attack on the home rule powers granted to municipalities by the Ohio Constitution;
- WHEREAS,** The proposed budget also includes a provision that would eliminate a portion of the sales factor, known as "throwback," that would substantially reduce the tax revenue warehouses, distribution centers, and any business providing online sales would be required to report to municipalities;
- WHEREAS,** The Village of Lincoln Heights strenuously objects to this attack on municipal home rule under consideration by the State of Ohio and urges all municipal corporations to make it clear to the Governor and General Assembly that this proposed usurpation of constitutionally granted local municipal power will be challenged;
- WHEREAS,** The recent reduction in the Local Government Fund, elimination of estate tax, and accelerated phase-out of promised reimbursement for loss of revenues due to the repeal of the tangible personal property tax have collectively resulted in a substantial loss of revenue available to municipalities for critical services;
- WHEREAS,** The Village of Lincoln Heights and like communities can and do provide personal services and assistance to our taxpayers in the preparation and filing of their tax reports and returns;

WHEREAS, Only municipalities can ensure the prompt and proper auditing of local tax returns to ensure all applicable deductions and declarations are reported, thus also ensuring that all taxpayers pay their fair share without causing higher costs of compliance for all, and municipalities must be able to do so without the burdensome and costly restrictions included in the Governor's budget proposal created with the only purpose of restricting municipalities from correcting and auditing business return filings or making assessments;

WHEREAS, Provisions in this budget proposal will hamper municipalities' ability to audit and correct municipal income tax business returns and to equitably enforce the municipal income tax laws, and the provisions have been crafted as a vehicle to control the administrative process of municipal income tax to the benefit of specific taxpayer interests;

WHEREAS, The municipal income tax is the single largest revenue source for municipalities, which provides essential municipal services, thus promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on residents and businesses, creating an environment detrimental to retaining and attracting businesses in the Village of Lincoln Heights and throughout Ohio; and

WHEREAS, There are upcoming proposed changes to the Ohio Business Gateway that could serve as a solution for businesses to file municipal income tax returns in a simpler and more efficient way, so that the Ohio Business Gateway could continue to serve as the portal for filing and remitting payments directly to municipalities without requiring the Ohio Department of Taxation to be involved in processing municipal income taxes.

NOW, THEREFORE, BE IT RESOLVED by the Village of Lincoln Heights, Hamilton County, Ohio, that:

SECTION I This Council hereby urges the Ohio General Assembly to request the immediate removal of all language pertaining to municipal income tax collection and administration, and to promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more simple and efficient manner, with the Ohio Business Gateway continuing to act only as a portal to remit payments and filing information directly to municipalities, and not to the Ohio Department of Taxation for processing.

SECTION II This Resolution be spread upon the minutes of Council and copies of this resolution be forwarded to Governor John Kasich; Speaker of the Ohio House of Representatives Cliff Rosenberger; President of the Ohio Senate Larry Obhof, State Senator Cecil Thomas; State Senator Lou Terhar; State Senator Steve Wilson; State Representative Bill Seitz; State Representative Brigid Kelly; State Representative Alicia Reece; State Representative Catherine Ingram; State Representative Tom Brinkman; and State Representative Louis Blessing III.

SECTION III

This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety and welfare of the residents of the Village. The reason for said emergency is the need to provide immediate notice to the Ohio General Assembly of the Village's objection to the Governor's proposal to usurp the Village's home rule power to administer and collect municipal income taxes.

Passed this 13th day of March, 2017:



Mayor, Village of Lincoln Heights

Attested:



Clerk of Council

RECORD OF VOTES CAST

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Mayor Richard Headen	x	_____	_____	_____
Vice-Mayor Jeannie Stinson	x	_____	_____	_____
Phyllis Baber	x	_____	_____	_____
Linda Childs-Jeter	x	_____	_____	_____
Frankie C. Dotson	x	_____	_____	_____
Kathy A. Goodwin-Williams	x	_____	_____	_____
Ruby Kinsey-Mumphrey	x	_____	_____	_____

CERTIFICATION OF PUBLICATION

I hereby certify that I have published the foregoing legislation beginning on March _____, 2017 in accordance with Section 2.12 of the Charter for the Village of Lincoln Heights, Hamilton County, Ohio, by posting a complete copy of the legislation for at least 14 days after its adoption in 5 conspicuous places in the Village, to wit: 1) Healthcare Connection; 2) Seven Hills Seniors; 3) Friendship Plaza; 4) Centennial Apartments; and 5) Oak Park.


Clerk of Council

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