

RESOLUTION R17-09

RESOLUTION STRONGLY OPPOSING THE STATE OF OHIO GOVERNOR'S PROPOSED 2017-2018 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED TO THE MUNICIPAL INCOME TAX WHICH WILL CAUSE A SUBSTANTIAL LOSS OF REVENUE NEEDED TO SUPPORT THE HEALTH, SAFETY, WELFARE AND ECONOMIC DEVELOPMENT EFFORTS OF OHIO MUNICIPALITIES, AND DECLARING AN EMERGENCY.

WHEREAS, the North Perry Village Council have 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; and

WHEREAS, the proposal for a state takeover of the collection of the municipal income taxes of municipal corporations such as North Perry Village is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution; and

WHEREAS, this proposed language also includes a provision that would eliminate portion of the sales factor, known as "throwback", substantially reducing reportable tax revenue to municipalities with warehouses, distribution centers, and any business providing online sales; and

WHEREAS, the Village of North Perry strenuously objects to this latest 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 shall not take place without a vigorous legal challenge by affected municipal corporations.

WHEREAS, the reduction, and possible elimination, of 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 all resulted in a significant loss of revenues for the Village of North Perry; and

WHEREAS, municipalities can and will provide the personal service and assistance to its taxpayers in the preparation and filing of their tax reports and returns; and

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 must be able to do so without burdensome and costly restrictions included in the Governor's budget proposal created with the only purpose of restricting municipalities from correcting / auditing business return filings or making assessments; and

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

WHEREAS, the municipal income tax is the single largest revenue source, which provides essential municipal services, 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 business in Ohio.

NOW, THEREFORE, BE IT RESOLVED by the Council of North Perry Village, Ohio that:

Section 1. The Ohio General Assembly should request the immediate removal of all language pertaining to municipal income tax collection and administration, and should 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 2. This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and for the further reason that the Village must maintain revenue levels without threat of assault via legislation proposed by the Ohio General Assembly; therefore, this Resolution shall be in full force and effect immediately upon its adoption by Council.

MAYOR

ADOPTED: April 6, 2017

ATTEST: _____
FISCAL OFFICER

Siegel motioned to suspend Council rule. Thompson seconded. Blalock, Cutler, L. Klco, Reichard, Siegel and Thompson voted in favor.

Blalock motioned to approve the Resolution. Thompson seconded. Cutler, L. Klco, Reichard, Siegel, Thompson and Blalock voted in favor of the Resolution.