

VILLAGE OF SOUTH LEBANON, OHIO
RESOLUTION NO. 2017-17

**A 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 Mayor and 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 collection of the municipal income taxes of municipal corporations such as the Village of South Lebanon 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 South Lebanon 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 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 all resulted in a substantial loss of revenue for the Village; 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 the Village of South Lebanon, Ohio, at least two-thirds of all members elected thereto concurring:

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. That the Council is acting in its administrative capacity in adopting this Resolution.

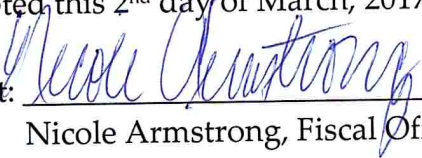
Section 3. That the recitals contained within the Whereas Clauses set forth above are incorporated by reference herein.

Section 4. This Resolution is declared to be an emergency measure in accordance with Ohio Rev. Code § 731.30 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; and,

Section 5. That it is found and determined that all formal actions of the Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of Council in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Adopted this 2nd day of March, 2017.

Attest:


Nicole Armstrong, Fiscal Officer


James D. Smith, Mayor

Rules Suspended: 3/2/2017 (if applicable)

Effective Date - 3/2/2017

Vote - 6 Yeas
 ___ Nays

First Reading - / /2017
Second Reading - / /2017
Third Reading - / /2017

Effective Date - / /2017

Vote - ___ Yeas
 ___ Nays

Prepared by and approved as to form:

PAUL R. REVELSON
VILLAGE SOLICITOR
SOUTH LEBANON, OHIO

By: 

Date: 3/2 /2017