

1

RESOLUTION NO.: 19-2017
INTRODUCED BY: Mayor Roche and All of Council

A RESOLUTION STRONGLY OPPOSING THE OHIO GOVERNOR'S PROPOSED 2017-2018 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED TO 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 City of Richmond Heights is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution;

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

WHEREAS, the City of Richmond Heights 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 authority shall not take place without a vigorous challenge by affected municipal corporations;

WHEREAS, the recent reduction in the Local Government Fund, elimination of the 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 loss of millions of dollars of necessary revenue to the City of Richmond Heights and most municipalities across Ohio;

WHEREAS, municipalities have provided, and will continue to provide, the personal service and assistance to its 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 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 and/or auditing business return filings or making assessments;

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 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 to local governments and 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 City of Richmond Heights, State of Ohio that:

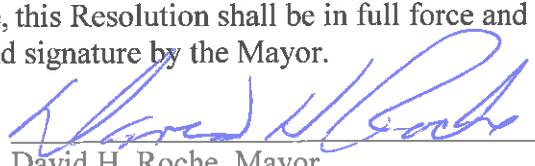
Section 1: The Ohio General Assembly should request the immediate removal of all language pertaining to municipal income tax collection and administration, and should promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more simple 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: The Clerk of Council is instructive to immediately send certified copies of this Resolution to the Ohio Governor John Kasich, and the State Representative and State Senator serving the City of Richmond Heights, as well as the President of the Ohio Senate and the Speaker of the Ohio House of Representatives.

Section 2: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3: 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 City 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 and signature by the Mayor.

PASSED: March 28, 2017



David H. Roche, Mayor

APPROVED: March 28, 2017

ATTEST: Betsy Traben
Betsy Traben
Clerk of Council



Eloise Cotton-Henry
President of Council