

**RESOLUTION NO. 013-13**

**A RESOLUTION STRONGLY OPPOSING THE PASSAGE OF HB 5 BY THE OHIO GENERAL ASSEMBLY WHICH PROPOSES UNIFORMITY MEASURES FOR MUNICIPAL INCOME TAX IN THE FORM OF UNFUNDED MANDATES AND A SUBSTANTIAL LOSS OF REVENUE, AND DECLARING AN EMERGENCY**

**WHEREAS**, the Municipal Income Tax Uniformity Coalition, headed by the Ohio Society of CPA's, with business community membership including the Ohio Chamber of Commerce, with support from Representative Grossman, Representative Henne; and, Representative Barnes, met with members of the Ohio Municipal League and municipal income tax representatives; and,

**WHEREAS**, the purpose of these Interested Parties meetings was to achieve consensus on issues regarding municipal income tax uniformity for the inclusion in legislation; and,

**WHEREAS**, municipalities agree that revenue neutral uniformity on issues that will ease compliance burdens for businesses in and potentially locating in Ohio would be of great benefit to all of Ohio; and,

**WHEREAS**, the Coalition has drafted and introduced language that is detrimental to the financial stability of municipalities, will drastically reduce revenue for all municipalities in Ohio, and includes "unfunded mandates" which will cripple the ability for municipalities to provide basic services to residents and resident businesses alike; and,

**WHEREAS**, the recent reduction in the *Local Government Fund* shall result in an *overall loss by 2014 of \$218,170.00* in revenue for the City of Napoleon, Ohio; and,

**WHEREAS**, the elimination of the *Estate Tax* will result in a *loss of \$194,580.00 (3 year average)* in revenue for the City of Napoleon, Ohio; and,

**WHEREAS**, the accelerated phase-out of promised reimbursement for the loss of revenues due to the repeal of the *Tangible Personal Property Tax* has resulted in a *loss of \$73,230.00* in revenue for the City of Napoleon, Ohio; and,

**WHEREAS**, the proposals in *HB 5* will result in an additional *estimated loss of revenue of \$258,347.00* for the City of Napoleon, Ohio; and,

**WHEREAS**, *HB 5* includes provisions that require State oversight of municipal income tax administration, administrative policies and procedures for municipal income tax collection, and administration that dramatically hamper the ability to administer the tax in an effective manner; and,

**WHEREAS**, the long term purpose of *HB 5* is State oversight of municipal income tax operations, which could lead to a future push for forced State Centralized Collection of municipal income tax; and,

**WHEREAS**, municipalities have been responsive in the past to efforts to streamline the rules and regulations and create uniformity in the overwhelming majority of local tax codes creating a streamlined process for all taxpayers; 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 HB 5 created with the only purpose of restricting municipalities from correcting/auditing returns or making assessments; and,

**WHEREAS**, provisions in this Bill hamper every municipality's ability to audit and correct municipal income tax returns, to equitably enforce the municipal income tax laws, creates increased cost of administration due to burdensome notification requirements, reduces revenue due to "unfunded mandates" and elimination of compliance processes, 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**, municipalities must fight to protect their 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 CITY OF NAPOLEON, OHIO:**

Section 1. This Council does hereby declare its strong opposition to any effort by the Ohio General Assembly to pass legislation that creates "unfunded mandates" and a loss of revenue for municipalities.

Section 2. This Council urges its state legislators to reject HB 5, and any amendment to pending bills and opposes the introduction of new legislation that proposes to reduce municipal income tax revenue to municipalities in Ohio.

Section 3. The Ohio General Assembly should request the drafting of legislation that would address the multitude of issues that were agreed upon as a result of the Interested Parties meetings, which will bring uniformity to areas including (but not limited to) due dates for estimated tax payments, due dates of withholding payments, due dates and procedures for extension request filings, due dates for annual Reconciliation of Returns, all of which will simplify the compliance process for businesses and individuals alike.

Section 4. The Ohio General Assembly should focus on restoring previous funding levels to the Ohio Business Gateway and focus on correcting its multitude of programming problems and customer service issues to make that tool less cumbersome, more useful and relevant to municipalities and businesses as a simple, generic, one-stop method of filing local business income tax returns in one location.


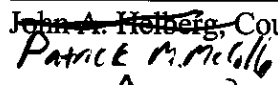
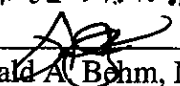
Section 5. Members of the Ohio House and Senate should engage in constructive dialogue with local officials to gain consensus on correction of the perceived issues of potential revenue-neutral commonality and uniformity in those few remaining differences in municipal income tax provisions.

Section 6. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 7. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.

Section 8. That, this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time so that the Legislature is aware of the City of Napoleon's stance when the Legislature discusses and/or takes action on this Bill; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law.

Passed: 3/18/13

  
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John A. Holberg, Council President  
   
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Patrick M. McElillo, Mayor  
Ronald A. Bohm, Mayor

Approved: March 18, 2013

VOTE ON PASSAGE 5 Yea 0 Nay 0 Abstain

Attest:

  
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Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 013-13 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the \_\_\_\_\_ day of \_\_\_\_\_; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

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Gregory J. Heath, Clerk/Finance Director