

RESOLUTION NO. 32-17

A RESOLUTION STRONGLY OPPOSING THE GOVERNOR OF THE STATE OF OHIO'S PROPOSED 2017-2018 BUDGET, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND, IF ADOPTED, WILL RESULT IN A LOSS OF REVENUE NECESSARY 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 municipal income taxes; and

WHEREAS: The proposal for a state takeover of collection of the municipal income taxes of municipal corporations such as City of Medina is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution; and

WHEREAS: The City of Medina 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 home rule municipal power shall not take place without a vigorous legal challenge by affected municipal corporations; and

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 an approximate maximum loss of revenue of \$1,000,000 annually; and

WHEREAS: The City of Medina has and continues to desire to provide the personal services and assistance to its taxpayers and businesses in the preparation and filing of their municipal income tax reports and returns; and

WHEREAS: Only municipalities can ensure the prompt and proper auditing of local municipal income 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 municipal income tax 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 funding for essential municipal services thereby promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will have a significant 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 MEDINA, OHIO:

Section 1: The Ohio General Assembly should request the immediate removal of all language pertaining to municipal income tax collection and administration in the Governor’s 2017-2018 budget 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 to timely provide notice to the Ohio General Assembly of the objections contained herein. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes or from the earliest time allowed by law.

PASSED: March 13, 2017

SIGNED: James A. Shields
President of Council Pro-Tem

ATTEST: Kathy Patton
Clerk of Council

APPROVED: March 14, 2017

SIGNED: John M. Coyne
Acting Mayor