

EXHIBIT A

161.012 - PURPOSES OF TAX; RATE

The purpose of the tax on income and the withholding tax established by this Chapter 161 is to provide funds for municipal purposes. The tax shall be, and is hereby levied on and after [July 1, 2019](#), at the rate of ~~one and one-half~~ two and one-half percent per annum.

(Ord. No. [0121-2015](#), § 1(Exh. A), 12-7-15)

161.013 - ALLOCATION OF FUNDS

(a) The funds collected under the provisions of this Chapter 161 except as defined in [Section 161.013\(b\) and \(c\)](#) shall be deposited to the General Fund of the Municipality and, subject to Section 161.012, be applied for the following purposes, and in the following order to wit:

- (1) Such part thereof as shall be necessary to defray all costs of collecting the taxes levied by this Chapter and the cost of maintaining the Division of Taxation and administering and enforcing the provisions thereof.
- (2) Such part thereof as Council may appropriate for the purpose of paying the cost of general municipal operations.
- (3) Such part thereof as Council may appropriate for the purpose of paying the cost for repairs and maintenance of streets.
- (4) Such part thereof as Council may appropriate for the purpose of purchasing new equipment, maintenance, and capital improvements.
- (5) Such part thereof as Council may appropriate for the payment of principal and interest on certain bond issues for capital improvements.

(b) Effective on July 1, 2019, of the revenue generated by the additional one percent (1%) tax on income pursuant to Ordinance No. _____ (the "Supplemental Revenue"), an amount equal to three-fourths (.75) of the Supplemental Revenue shall be deposited to the Capital Improvements Fund and be dedicated for the purposes of capital improvements and equipment for infrastructure, public safety, municipal facilities or parks and recreation, maintenance and repair of the same, and paying debt service for such purposes.

(c) Effective on July 1, 2019, an amount equal to one-fourth (.25) of the Supplemental Revenue shall be deposited to a dedicated fund of the Municipality for purposes of funding operations for parks and recreation, public safety, or public service.

(Ord. No. [0121-2015](#), § 1(Exh. A), 12-7-15)

161.081 - CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY

(a) Each resident shall be allowed a nonrefundable credit against the tax imposed under this Chapter with respect to that resident's Creditable Income. For purposes of this Section 161.081, "Creditable Income" means, with respect to any Taxable Year, the portion of a resident's income (1) on which the resident paid income tax to a municipality or county other than the City of Gahanna, or (2) with respect to which the employer of the resident

withheld the income tax of a municipality or county other than the City of Gahanna. Creditable Income shall not include income on which taxes were paid or withheld to the extent the resident is eligible to receive a refund of such taxes from the other municipality or county.

- (b) The credit under division (a) of this Section 161.081 shall be equal to the product calculated by multiplying the following two (2) numbers:
- (1) ~~Eighty-three and one-third~~ One Hundred percent (~~83-1/3~~ 100%).
 - (2) The lesser of the following amounts for the Taxable Year:
 - A. The tax paid on the Creditable Income to the other municipality; OR
 - B. The tax imposed under this Chapter, prior to application of this credit.
- (c) For purposes of this Section 161.081, "Net Proceeds" means the total proceeds collected from the tax imposed under this Chapter on the Creditable Income of all residents, after the application of the credit under division (a). Until otherwise determined by the Municipality's City Council, the Net Proceeds for each fiscal year, as those Net Proceeds are verified by the Tax Administrator, shall be ~~expended for capital improvements and equipment in the following categories:~~ deposited in the General Fund.
- ~~(1) Safety;~~
 - ~~(2) Streets; and~~
 - ~~(3) Stormwater Maintenance.~~
- (d) The credit became effective with respect to taxable income earned and/or received on and after January 1, 1989, and the purpose of and intention behind the revisions made to this Section (at that time numbered Section 161.18) on January 6, 2015, are to provide clarification and to carry out the intent behind the credit since such effective date.
- (e) The Municipality's City Council shall conduct a minimum of three (3) public hearings at least 60 days prior to any amendment of this Section 161.081.

(Ord. No. 0121-2015, § 1(Exh. A), 12-7-15)