

Exhibit A

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 county or municipality other than the City of Gahanna, or (2) with respect to which the employer of the resident withheld the income tax of a county or municipality 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 county or municipality.

(b) For municipal taxable years beginning on or after January 1, 2020, the City of Gahanna shall grant no credit under division (a) of this Section 161.081 for income taxes paid, or withheld by an employer for payment, to a municipality other than the City of Gahanna. This division (b) shall only apply if the municipal income tax rate under Section 161.012 is less than two and one-half percent (2.5%) for municipal taxable years beginning on or after January 1, 2020.

(c) For the time period beginning on July 1, 2019 and ending December 31, 2019, the City of Gahanna shall grant a fifty percent (50%) credit under division (a) of this Section 161.081 for income taxes paid or withheld on a resident's Creditable Income. This division (c) shall only apply if the municipal income tax rate under Section 161.012 is less than two and one-half percent (2.5%) for the time period beginning on July 1, 2019 and ending December 31, 2019. Any credit granted under this division (c) shall be calculated according to the formula set forth in division (e) of this Section 161.081.

(d) For municipal taxable years beginning before 2019 and for the time period prior to July 1, 2019, the City of Gahanna shall grant an eighty-three and one-third percent (83-1/3%) credit under division (a) of this Section 161.081 for income taxes paid or withheld on a resident's Creditable Income. Any credit granted shall be calculated according to the formula in division (e) of this Section 161.081.

(e) Any credit granted under divisions (c) or (d) of this Section 161.081 shall be equal to the product calculated by multiplying the following two (2) numbers:

- (1) The percentage of credit as of the time period according to divisions (c) or (d) of this Section; and
- (2) The lesser of the following amounts for the Taxable Year:
 - A. The tax paid on the Creditable Income to a municipality other than the City of Gahanna; OR
 - B. The tax imposed under this Chapter, prior to application of this credit.

(f) 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 available under this Section, if any. Until and unless 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 dedicated in the following manner:

- (1) Fifty-five percent (55%) shall 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; and
- (2) Forty-five percent (45%) shall be dedicated for the purposes of funding operations for public safety, municipal services, or parks and recreation.

(g) The purpose of and intention behind the revisions made to Section 161.18, the prior version of this section, on January 6, 2015, were to provide clarification and to carry out the intent behind the credit prior to January 6, 2015.

(h) 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.