



## Legislation Text

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OPPOSING ANY EFFORT TO COMMENCE COLLECTION OF LOCAL GOVERNMENT EARNINGS TAX BY THE STATE OF OHIO.

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WHEREAS, Ohio Revised Code Section 718 permits municipalities to tax income generated within territorial jurisdiction, within specific guidelines, to support necessary safety service; and

WHEREAS, reduction of Local Government Funds by the state of Ohio during 2002 and 2003 has begun to erode income designed to help maintain local tax at a reasonable level; and

WHEREAS, the state of Ohio through public hearing held during 2003 and a recent report of the Ohio Department of Taxation and language in House Bill 95 suggest that action would be taken that would serve to further reduce local earned income tax through the collection of some or all of municipal earned income tax payments at the state level, retaining a management or processing fee, and filtering payments to municipalities; and

WHEREAS, a fee off the top would reduce the financial base of the community, thus inhibiting the ability to support everyday expenses, as well as any crisis that would impact the welfare of all within the municipality, whether resident or non-resident; and

WHEREAS, any reduction in earned income taxes will require cuts in vital services such as fire, police, emergency medical assistance, highway and bridge construction, maintenance and repair (including snow and ice removal), traffic control and sanitation services, upon which residents and non-residents depend; and

WHEREAS, the Legislative Task Force at its meeting on March 28, 2003 recommended this resolution for passage;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GAHANNA, STATE OF OHIO:

Section 1. That the state of Ohio is strongly urged to make only those changes to the tax system that are revenue neutral for local governments and help to create an improved business climate.

Section 2. That the state of Ohio make no changes to local government taxation laws that would require local governments to raise taxes in order to maintain important services to citizens or erode a municipality's ability to pursue non-responsive taxpayers.

Section 3. That the state legislature is strongly encouraged to amend HB 95 to include the recommendations of the Ohio Municipal Task Force (OMTF) contained in the OMTF's white paper entitled, "Municipal Income tax reform Proposals" (attached to this resolution).

Section 4. That this resolution shall be in full force and effect immediately upon passage by this Council.