

RESOLUTION NO. 5 , 2014

A RESOLUTION STRONGLY OPPOSING THE PASSAGE OF SUBSTITUTE HOUSE BILL 5 BY THE OHIO GENERAL ASSEMBLY AND ENCOURAGING THE ADOPTION OF THE CHANGES RECOMMENDED BY THE OHIO MUNICIPAL LEAGUE

WHEREAS, municipalities in Ohio exist primarily as a tool of self-governance to provide high quality services to the citizens, resident businesses and to the constituents who visit for work, entertainment, educational and other purposes; 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, Substitute House Bill 5 as passed by the Ohio House of Representatives contains language that is detrimental to the financial stability of municipalities, will reduce revenue for all municipalities in Ohio, increases the administrative burden for all municipalities, and removes already existing uniformity; and

WHEREAS, the reduction in the Local Government Fund has resulted in an annual loss of approximately \$150,000 in revenue for the City of Montgomery; and

WHEREAS, the elimination of the Estate Tax has resulted in an annual average loss of approximately \$1,500,000 in revenue for the City of Montgomery; 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 approximately \$200,000 in revenue for City of Montgomery; and

WHEREAS, the proposals in Substitute HB 5 will result in an additional estimated loss of revenue for City of Montgomery; and

WHEREAS, municipalities in Ohio, with the support of the Ohio Municipal League, have supported and participated in discussions of uniformity for the past thirteen years, and worked to achieve uniformity in many areas of municipal income tax; and

WHEREAS, each time that uniformity was challenged by a Special Interest group, carve-outs or changes to benefit Special Interests have been put in place by the Ohio General Assembly; 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, Local governments in Ohio are united with the Ohio Municipal League which has crafted recommended improvements to Substitute House Bill 5 to achieve tax uniformity with revenue neutrality; and

WHEREAS, provisions in the present bill hamper every municipality's ability to audit and correct municipal income tax returns, to equitably enforce the municipal income tax laws, create increased cost of administration due to burdensome notification requirements, reduce 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, promotes 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 Montgomery, Hamilton County, Ohio, that:

SECTION 1. This Council does hereby declare its strong opposition to Substitute House Bill 5 as passed by the Ohio House of Representatives.

SECTION 2. This Council supports the Ohio Municipal League's recommended changes to Substitute House Bill 5 that provide business-friendly municipal income tax uniformity provisions while remaining revenue neutral.

SECTION 3. This Council urges members of the Ohio Senate to reject Substitute HB 5 as passed by the Ohio House of Representatives and to make the changes suggested by the Ohio Municipal League Coalition.

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, businesses, and individuals as a simple, generic, one-stop method of filing local business income tax returns in one location.

SECTION 5. This Resolution shall be in full force and effect from and after its passage.

PASSED: March 5, 2014

ATTEST: Connie M. Gaylor
Connie M. Gaylor,
Acting Clerk of Council

Todd A. Stembrink
Todd A. Stembrink, Mayor

APPROVED AS TO FORM:
Terrence M. Donnellon
Terrence M. Donnellon, Law Director