

RESOLUTION NO. 10-2013

A Resolution Opposing the Adoption of
Municipal Income Tax Uniformity Measures
as Currently Proposed in House Bill 5.

WHEREAS, Ohio's municipalities exist primarily as a method of community self-governance to ensure the provision of quality public services to resident citizens as well as those who visit for work, entertainment, education and other purposes; and,

WHEREAS, municipalities agree that revenue neutral uniformity on issues that will ease compliance burdens for existing and potential businesses in Ohio could be a great benefit to all; and,

WHEREAS, the legislation as drafted and introduced in the 2013 Ohio General Assembly known as House Bill 5 (HB5) contains language that is detrimental to the financial stability of municipalities, will drastically reduce revenue for all municipalities in Ohio, and includes "unfunded mandates" which will further erode the ability of municipalities to provide basic services to residents and resident businesses alike; and,

WHEREAS, the recent reduction in the Local Government Fund as well as the elimination of the Estate Tax will result in an estimated annual loss in excess of \$1 million in General Fund revenue for the City of Worthington; and,

WHEREAS, the accelerated phase-out of reimbursement for the loss of revenues due to the repeal of the Tangible Personal Property Tax has resulted in a loss of \$150,000 since 2010; and,

WHEREAS, the proposals in HB 5 will result in an additional estimated loss of revenue in excess of \$400,000 annually for the City of Worthington with many provisions currently unquantifiable; 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, communities throughout the State have collaborated in good faith with advocates for tax uniformity to develop a plan that is truly revenue neutral; and,

WHEREAS, municipal income taxes passed by the electors of a municipality should not be changed or modified without the consent of the voters unless such changes are revenue neutral; and,

WHEREAS, municipalities must protect their single largest revenue source, which provides essential municipal services, promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will

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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 Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. Members of the Ohio House and Senate are hereby encouraged to engage in constructive dialogue with local officials to gain consensus on critical issues concerning tax uniformity and revenue-neutrality.

SECTION 2. 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 and businesses as a simple, generic, one-stop method of filing local business income tax returns in one location.

SECTION 3. This Council urges its state legislators to reject House Bill 5 and any uniformity measures which do not include revenue-neutrality as the basis for adoptions, and to adopt those municipal tax provisions previously deemed acceptable by the municipal representatives engaged in discussions prior to the introduction of HB 5.

SECTION 4. That the Clerk of Council be and hereby is directed to record this Resolution in the appropriate record book.

Adopted: April 1, 2013

[Signature on File]

President of Council

Attest:

[Signature on File]

Clerk of Council