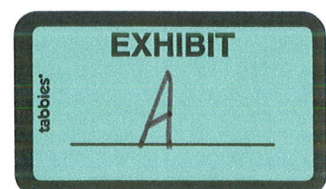


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CHAPTER 184  
Municipal Income Tax

Sec. 184.01. Purpose of Income Tax

To provide funds for the purposes of general municipal functions of the City, including, but not limited to, capital improvements, road and sewer maintenance and/or repair and increase and maintenance of police and fire personnel, there is hereby levied a tax on all salaries, wages, commissions and other compensation and net profits as provided in this Chapter.

Sec. 184.02. Definitions

Any term used in this Chapter that is not otherwise defined in this Chapter has the same meaning as when used in a comparable context in laws of the United States relating to federal income taxation or in Title LVII of the Revised Code, unless a different meaning is clearly required. If a term used in this Chapter that is not otherwise defined in this Chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall control over the use of the term in Title LVII of the Revised Code.

As used in this Chapter:

(A)(1) "Municipal taxable income" means the following:

(a) For a person other than an individual, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sourced to the City under section 184.06, and further reduced by any pre-2017 net operating loss carryforward available to the person for the City.

(b) For an individual who is a resident of the City, income reduced by exempt income to the extent otherwise included in income, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the City.

(c) For an individual who is a nonresident of the City, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sourced to the City under section 184.06, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the municipal corporation.

(2) In computing the municipal taxable income of a taxpayer who is an individual, the taxpayer may subtract, as provided in division (A)(1)(b) or (c) of this section, the amount of the individual's employee business expenses reported on the individual's form 2106 that the individual deducted for federal income tax purposes for the taxable year, subject to the limitation imposed by section 67 of the Internal Revenue Code. If the taxpayer is a resident of the City, the taxpayer may deduct all such expenses allowed for federal income tax purposes. If the taxpayer is not a resident of the City, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in the City.

(B) "Income" means the following:

(1)(a) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident.

(b) For the purposes of division (B)(1)(a) of this section:

(i) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (B)(1)(d) of this section;

(ii) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.

(c) Division (B)(1)(b) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation.

(d) Any amount of a net operating loss used to reduce a taxpayer's net profit for a taxable year shall reduce the amount of net operating loss that may be carried forward to any subsequent year for use by that taxpayer. In no event shall the cumulative deductions for all taxable years with respect to a taxpayer's net operating loss exceed the original amount of that net operating loss available to that taxpayer.

(2) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered, or activities conducted in the City, including any net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident.

(3) For taxpayers that are not individuals, net profit of the taxpayer.

(4) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards. If the taxpayer is a professional gambler for federal income tax purposes, the taxpayer may deduct related wagering losses and expenses to the extent authorized under the Internal Revenue Code and claimed against such winnings.

(C) "Exempt income" means all of the following:

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2) Intangible income;

(3) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C)(3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code.

(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year is subject to taxation, provided that the payer of such compensation shall not be required to without any tax from that compensation as required by Section 184.07.

(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(7) Alimony and child support received;

(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;

(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.

(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;

(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;

(12) Employee compensation that is not qualifying wages as defined in division (R) of this section;

(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.

(14) An S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.

(15) All of the income of individuals under eighteen years of age.

(16)(a) Except as provided in divisions (C)(16)(b), (c), and (d) of this section, qualifying wages described in division (B)(1) or (E) of section 184.04 to the extent the qualifying wages are not subject to withholding for the City under either of those divisions.

(b) The exemption provided in division (C)(16)(a) of this section does not apply with if the employee was a resident of the City at the time the employee earned the qualifying wages.

(c) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D)(2) of section 184.04.

(d) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages if both of the following conditions apply:

(i) For qualifying wages described in division (B)(1) of section 184.04, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 184.04, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located; and

(ii) The employee receives a refund of the tax described in division (C)(16)(d)(i) of this section on the basis of the employee not performing services in that municipal corporation.

(17)(a) Except as provided in division (C)(17)(b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the City on not more than twenty days in a taxable year.

(b) The exemption provided in division (C)(17)(a) of this section does not apply under either of the following circumstances:

(i) The individual's base of operation is located in the City.

(ii) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (C)(17)(b)(ii) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in section 184.04.

(c) Compensation to which division (C)(17) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(d) For purposes of division (C)(17) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(18) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Revised Code on or after March 27, 2013, unless the person is a resident of the City.

(19)(a) The income of any nonresident member or employee of the Ohio general assembly including the lieutenant governor which income is received as a result of services rendered as such member or employee and is paid from appropriated funds of this state.

(b) The income of the chief justice or a justice of the supreme court received as a result of services rendered as the chief justice or justice, if the chief justice or justice is not a resident of the City.

(c) The income of a nonresident judge sitting by assignment of the chief justice or on the income of a nonresident district court of appeals judge sitting in multiple locations within the district, received as a result of services rendered as a judge.

(20) Income the taxation of which is prohibited by the constitution or laws of the United States.

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income.

(D)(1) "Net profit" for a person other than an individual means adjusted federal taxable income.

(2) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of division (D)(2) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (E)(8) of this section.

(3) For the purposes of this Chapter, and notwithstanding division (D)(1) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, but shall instead be included in the net profit of the owner of the disregarded entity.

(E) "Adjusted federal taxable income," for a person required to file as a C corporation means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

(2) Add an amount equal to five per cent of intangible income deducted under division (E)(1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;

(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(4)(a) Except as provided in division (E)(4)(b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(b) Division (E)(4)(a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.

(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code;

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) of this section, deduct any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017.

The amount of such net operating loss shall be deducted from net profit that is reduced by exempt income to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five



consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

(b) No person shall use the deduction allowed by division (E)(8) of this section to offset qualifying wages.

(c)(i) For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person shall not deduct, for purposes of the income tax levied by this Chapter, more than fifty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section.

(ii) For taxable years beginning in 2023 or thereafter, a person may deduct, for purposes of an income tax levied by this Chapter, the full amount allowed by division (E)(8)(a) of this section.

(d) Any pre-2017 net operating loss carryforward deduction that is available must be used before a taxpayer may deduct any amount pursuant to division (E)(8) of this section.

(e) Nothing in divisions (E)(8)(c)(i) and (ii) of this section precludes a person from carrying forward, for the period otherwise permitted under division (E)(8)(a) of this section, any amount of net operating loss that was not fully utilized by operation of divisions (E)(8)(c)(i) and (ii) of this section.

(9) Deduct any net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that net profit in the group's federal taxable income in accordance with division (E)(3)(b) of section 184.12.

(10) Add any loss incurred by a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that loss in the group's federal taxable income in accordance with division (E)(3)(b) of section 184.12.

If the taxpayer is not a C corporation, is not a disregarded entity, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except guaranteed payments and other similar amounts paid or accrued to a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense unless such payments are in consideration for the use of capital and treated as payment of interest under section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member

of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

Nothing in division (E) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

(F) "Schedule C" means internal revenue service schedule C (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(G) "Schedule E" means internal revenue service schedule E (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(H) "Schedule F" means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(I) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code. Reference to a section of the Code includes all rulings, regulations (including proposed regulations), notices, announcements, decisions, orders and other pronouncements that are issued by the United States Department of the Treasury, the Internal Revenue Service, or any Court of competent jurisdiction that are lawful and pertinent to the interpretation, application or effectiveness of such section with respect to this Chapter.

(J) "Resident" means an individual who is domiciled in the municipal corporation as determined under section 184.05.

(K) "Nonresident" means an individual that is not a resident.

(L)(1) "Taxpayer" means a person subject to the tax levied on income by the City in accordance with this Chapter. "Taxpayer" does not include a grantor trust or, except as provided in division (L)(2)(a) of this section, a disregarded entity.

(2)(a) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in the City if it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:

(i) The limited liability company's single member is also a limited liability company.

(ii) The limited liability company and its single member were formed and doing business in one or more Ohio municipal corporations for at least five years before January 1, 2004.

(iii) Not later than December 31, 2004, the limited liability company and its single member each made an election to be treated as a separate taxpayer under division (L) of this section 184.02 as it existed on December 31, 2004.

(iv) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single member.

(v) The Ohio municipal corporation that was the primary place of business of the sole member of the limited liability company consented to the election.

(b) For purposes of division (L)(2)(a)(v) of this section, a municipal corporation was the primary place of business of a limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.

(M) "Person" includes individuals, firms, companies, joint stock companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity.

(N) "Pass-through entity" means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or disregarded entity.

(O) "S corporation" means a person that has made an election under sub-Chapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

(P) "Single member limited liability company" means a limited liability company that has one direct member.

(Q) "Limited liability company" means a limited liability company formed under Chapter 1705. of the Revised Code or under the similar laws of another state.

(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(1) Deduct the following amounts:

(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.

(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(c) Any amount included in wages that is exempt income.

(2) Add the following amounts:

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option. Division (R)(2)(b) of this section applies only to those amounts constituting ordinary income.

(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R)(2)(c) of this section applies only to employee contributions and employee deferrals.

(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.

(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code.

(f) Any amount not included in wages if all of the following apply:

(i) For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for federal income tax purposes;

(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;

(iii) For no succeeding taxable year will the amount constitute wages; and

(iv) For any taxable year the amount has not otherwise been added to wages pursuant to either division (R)(2) of this section or section 184.07, as that section existed before March 19, 2015.

(S) "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the Revised Code, and patents, copyrights, trademarks, trade names, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings, gambling winnings, or other similar games of chance.

(T) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(U) "Tax administrator" means the individual charged with direct responsibility for administration of the income tax levied by the City in accordance with this Chapter, and also includes the following:

(1) A municipal corporation acting as the agent of the City;

(2) A person retained by the City to administer a the tax levied by the City, but only if the person is not compensated, in whole or in part, on a contingency basis;

(3) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency.

(V) "Employer" means a person that is an employer for federal income tax purposes.

(W) "Employee" means an individual who is an employee for federal income tax purposes.

(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents.

(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.

(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

(AA) "Disregarded entity" means a single member limited liability company, a qualifying sub-Chapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.

(BB) "Generic form" means an electronic or paper form that is not prescribed by the City and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.

(CC) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.

(DD) "Ohio business gateway" means the online computer network system, created under section 125.30 of the Revised Code, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.

(EE) "Local board of tax review" and "board of tax review" mean the entity created under section 184.14.

(FF) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unused losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

(GG) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code.

(HH) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.

(II) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.

(JJ) "Postal service" means the United States postal service.

(KK) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.

(LL) "Authorized Delivery Service" includes any delivery service authorized pursuant to section 5703.056 of the Revised Code.

(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B)(3) of section 5703.056 of the Revised Code.

(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.

(OO) "Related entity" means any of the following:

(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(3) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under division (OO)(4) of this section, provided the taxpayer owns directly, indirectly, beneficially, or constructively, at least fifty per cent of the value of the corporation's outstanding stock;

(4) The attribution rules described in section 318 of the Internal Revenue Code apply for the purpose of determining whether the ownership requirements in divisions (OO)(1) to (3) of this section have been met.

(PP)(1) "Assessment" means a written finding by the tax administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty, or interest, to the municipal corporation that commences the person's time limitation for making an appeal to the local board of tax review pursuant to section 184.14, and has "ASSESSMENT" written in all capital letters at the top of such finding.

(2) "Assessment" does not include an informal notice denying a request for refund issued under division (B)(3) of section 184.19, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a tax administrator's request for additional

information, a notification to the taxpayer of mathematical errors, or a tax administrator's other written correspondence to a person or taxpayer that does meet the criteria prescribed by division (PP)(1) of this section.

(QQ) "Taxpayers' rights and responsibilities" means the rights provided to taxpayers in sections 184.14, 184.15, 184.19, 184.20, 184.28, 184.29, and 184.30 of this Chapter, and sections 5717.011, and 5717.03 of the Revised Code and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with this Chapter and resolutions, ordinances, and rules adopted by the City for the imposition and administration of the tax authorized by this Chapter.

(RR)(1) "Pre-2017 net operating loss carryforward" means any net operating loss incurred in a taxable year beginning before January 1, 2017, to the extent such loss was permitted, by a resolution or ordinance of the municipal corporation that was adopted by the municipal corporation before January 1, 2016, to be carried forward and utilized to offset income or net profit generated in such municipal corporation in future taxable years.

(2) For the purpose of calculating municipal taxable income, any pre-2017 net operating loss carryforward may be carried forward to any taxable year, including taxable years beginning in 2017 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.

(SS) "Small employer" means any employer that had total revenue of less than five hundred thousand dollars during the preceding taxable year. For purposes of this division, "total revenue" means receipts of any type or kind, including, but not limited to, sales receipts; payments; rents; profits; gains, dividends, and other investment income; compensation; commissions; premiums; money; property; grants; contributions; donations; gifts; program service revenue; patient service revenue; premiums; fees, including premium fees and service fees; tuition payments; unrelated business revenue; reimbursements; any type of payment from a governmental unit, including grants and other allocations; and any other similar receipts reported for federal income tax purposes or under generally accepted accounting principles. "Small employer" does not include the federal government; any state government, including any state agency or instrumentality; any political subdivision; or any entity treated as a government for financial accounting and reporting purposes.



(TT) "Audit" means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person for the purpose of determining liability for a municipal income tax.

(UU) "City" means the City of Parma.

(VV) "Revised Code" means the Ohio Revised Code as amended from time to time.

(WW) "Pension" and "retirement benefit payment" mean a fixed sum or other regularly scheduled payments made by an employer to a person or the person's designated beneficiaries as a retirement benefit. "Pension" and "retirement benefit payment" do not include any amounts set aside or contributed to the account of an individual, including any earnings thereon, or accrued or paid to an individual pursuant to the terms of a nonqualified deferred compensation plan.

For the purposes of this Chapter, the singular shall include the plural, and the masculine shall include the feminine and the neuter.

#### Sec. 184.03. Rate and Income Taxable

For the purposes specified in Section 184.01, an annual tax shall be imposed at a rate of 2 percent prior to January 1, 2007; and at a rate of 2.5 percent on and after January 1, 2007, upon the following income:

(A) On all salaries, wages, commissions; income from gaming, wagering and lotteries, including Ohio State lottery winnings over the amount of six hundred dollars (\$600.00); and other compensation, earned or received on or after April 1, 1992, by residents of the City.

(B) On all salaries, wages, commissions and other compensation earned or received on and after October 1, 1981, by nonresidents of the City for work done or services performed or rendered within the City.

(C)(1) On the portions attributable to the City of the net profits earned or received on or after October 1, 1981, of all resident pass-through entities or professions or other activities derived from sales made, work done, services performed or rendered and business or other activities conducted in the City.

(2) On the portions of the distributive share of the net profits earned or received on or after October 1, 1981, of a resident owner of a resident pass-through entity not attributable to the City and not levied against such pass-through entity.

(D)(1) On the portion attributable to the City of the net profits earned or received on or after October 1, 1981, of all nonresident pass-through entities, professions, or other activities,

derived from sales made, work done, services performed or rendered and business and other activities conducted in the City, whether or not such pass-through entity or activity has an office or place of business in the City.

(2) On the portion of the distributive share of the net profits earned or received on or after October 1, 1981, of a resident owner of a pass-through entity not attributable to the City and not levied against such unincorporated business entity.

(E) On the portion attributable to the City of the net profits earned or received on or after October 1, 1981, of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.

#### Sec. 184.04. Non-Resident Employees

(A) As used in this section:

(1) "Employer" includes a person that is a related member to or of an employer.

(2) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration.

(3) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis.

(4) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis.

(5) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer.

(6) "Worksite location" means a construction site or other temporary worksite in this state at which the employer provides services for more than twenty days during the calendar year. "Worksite location" does not include the home of an employee.

(7)(a) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of work" means the worksite location in this state to which the employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location,

"principal place of work" means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer.

(b) If there is not a single municipal corporation in which the employee spent the "greatest number of days in a calendar year" performing services for or on behalf of the employer, but instead there are two or more municipal corporations in which the employee spent an identical number of days that is greater than the number of days the employee spent in any other municipal corporation, the employer shall allocate any of the employee's qualifying wages subject to division (B)(1)(a) of this section among those two or more municipal corporations. The allocation shall be made using any fair and reasonable method, including, but not limited to, an equal allocation among such municipal corporations or an allocation based upon the time spent or sales made by the employee in each such municipal corporation. A municipal corporation to which qualifying wages are allocated under this division shall be the employee's "principal place of work" with respect to those qualifying wages for the purposes of this section.

(c) For the purposes of this division, the location at which an employee spends a particular day shall be determined in accordance with division (B)(2) of this section, except that "location" shall be substituted for "municipal corporation" wherever "municipal corporation" appears in that division.

(B)(1) Subject to divisions (C), (E), and (F) of this section, an employer is not required to withhold municipal income tax on qualifying wages paid to an employee for the performance of personal services in the City if the employee performed such services in the City on twenty or fewer days in a calendar year, unless one of the following conditions applies:

(a) The employee's principal place of work is located in the City.

(b) The employee performed services at one or more presumed worksite locations in the City. For the purposes of this division, "presumed worksite location" means a construction site or other temporary worksite in this state at which the employer provides services that can reasonably be expected by the employer to last more than twenty days in a calendar year. Services can "reasonably be expected by the employer to last more than twenty days" if either of the following applies at the time the services commence:

(i) The nature of the services is such that it will require more than twenty days of actual services to complete the services;

(ii) The agreement between the employer and its customer to perform services at a location requires the employer to perform actual services at the location for more than twenty days.

(c) The employee is a resident of the City and has requested that the employer withhold tax from the employee's qualifying wages as provided in section 184.07.

(d) The employee is a professional athlete, professional entertainer, or public figure, and the qualifying wages are paid for the performance of services in the employee's capacity as a professional athlete, professional entertainer, or public figure.

(2) For the purposes of division (B)(1) of this section, an employee shall be considered to have spent a day performing services in the City only if the employee spent more time performing services for or on behalf of the employer in the City than in any other municipal corporation on that day. For the purposes of determining the amount of time an employee spent in a particular location, the time spent performing one or more of the following activities shall be considered to have been spent at the employee's principal place of work:

(a) Traveling to the location at which the employee will first perform services for the employer for the day;

(b) Traveling from a location at which the employee was performing services for the employer to any other location;

(c) Traveling from any location to another location in order to pick up or load, for the purpose of transportation or delivery, property that has been purchased, sold, assembled, fabricated, repaired, refurbished, processed, remanufactured, or improved by the employee's employer;

(d) Transporting or delivering property described in division (B)(2)(c) of this section, provided that, upon delivery of the property, the employee does not temporarily or permanently affix the property to real estate owned, used, or controlled by a person other than the employee's employer;

(e) Traveling from the location at which the employee makes the employee's final delivery or pick-up for the day to either the employee's principal place of work or a location at which the employee will not perform services for the employer.

(C) If the principal place of work of an employee is located in a municipal corporation that imposes an income tax, the exception from withholding requirements described in division (B)(1) of this section shall apply only if, with respect to the employee's qualifying wages described in

that division, the employer withholds and remits tax on such qualifying wages to the municipal corporation in which the employee's principal place of work is located.

(D)(1) Except as provided in division (D)(2) of this section, if, during a calendar year, the number of days an employee spends performing personal services in the City exceeds the twenty-day threshold described in division (B)(1) of this section, the employer shall withhold and remit tax to the City for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in the City.

(2) An employer required to begin withholding tax for the City under division (D)(1) of this section may elect to withhold tax for the City for the first twenty days on which the employer paid qualifying wages to the employee for personal services performed in the City.

(3) If an employer makes the election described in division (D)(2) of this section, the taxes withheld and paid by such an employer during those first twenty days to the City in which the employee's principal place of work is located are refundable to the employee.

(E)(1) If an employer is a small employer as defined in division (SS) of section 184.02, the employer shall withhold municipal income tax on all of an employee's qualifying wages for a taxable year and remit the tax to the City if the employer's fixed location is located in the City, without regard to the number of days in a calendar year on which an employee performs personal services in the City.

(2) To determine whether an employer qualifies as a small employer for a taxable year, a tax administrator may require the employer to provide the tax administrator with the employer's federal income tax return for the preceding taxable year.

(F) Divisions (B)(1) and (D) of this section shall not apply to the extent that a tax administrator and an employer enter into an agreement regarding the manner in which the employer shall comply with the requirements of section 184.07.

#### Sec. 184.05. Determining Domicile

(A)(1) An individual is presumed to be domiciled in the City for all or part of a taxable year if the individual was domiciled in the City on the last day of the immediately preceding taxable year or if the tax administrator reasonably concludes that the individual is domiciled in the City for all or part of the taxable year.

(2) An individual may rebut the presumption of domicile described in division (A)(1) of this section if the individual establishes by a preponderance of the evidence that the individual was not domiciled in the City for all or part of the taxable year.

(B) For the purpose of determining whether an individual is domiciled in the City for all or part of a taxable year, only the following factors shall be considered:

(1) The location of financial institutions in which the individual or the individual's spouse have any accounts, including, but not limited to, checking, savings, certificates of deposit, or individual retirement accounts;

(2) The location of issuers of credit cards to the individual or the individual's spouse or of any other persons making installment loans to the individual or the individual's spouse;

(3) The location of institutional lenders which have made loans to, or which are guaranteed by, the individual or the individual's spouse;

(4) The location of investment facilities, brokerage firms, realtors, financial advisors, or consultants used by the individual or the individual's spouse;

(5) The location of either the insurance company that issued or the insurance agent that sold any policy of insurance to the individual or the individual's spouse, including, but not limited to, life, health, disability, automobile, or homeowner's insurance;

(6) The location of law firms, accounting firms, and similar professionals used by the individual or the individual's spouse for legal, tax, accounting, financial, or retirement services;

(7) The location of physicians, dentists, osteopaths, optometrists, or other health care providers, or veterinarians used by the individual or the individual's spouse;

(8) The location of organizations described in section 501(c) of the Internal Revenue Code to which the individual or the individual's spouse make contributions or other payments or in which they participate as a congregant, member, board member, committee member, adviser, or consultant;

(9) The location of burial plots owned by the individual or the individual's spouse;

(10) The location of business ventures or business entities in which the individual or the individual's spouse has a more than twenty-five per cent ownership interest or in which the individual exercises, either individually or jointly, significant control over the affairs of the venture or entity;

(11) The recitation of residency or domicile in a will, trust, or other estate planning document;

(12) The location of the individual's friends, dependents as defined in section 152 of the Internal Revenue Code, and family members other than the individual's spouse, if the individual is not legally separated from the individual's spouse under a decree of divorce or separate maintenance as provided in section 7703(a)(2) of the Internal Revenue Code;

(13) The location of educational institutions attended by the individual's dependents as defined in section 152 of the Internal Revenue Code, to the extent that tuition paid to such educational institution is based on the residency of the individual or the individual's spouse in the municipal corporation where the educational institution is located;

(14) The location of trustees, executors, guardians, or other fiduciaries named in estate planning documents of the individual or the individual's spouse;

(15) The location of all businesses at which the individual or the individual's spouse makes purchases of tangible personal property;

(16) The location where the individual married;

(17) The location or identity of recipients of political contributions made by the individual or the individual's spouse;

(18) The number of contact periods the individual has with the City. For the purposes of this division, an individual has one "contact period" with the City if the individual is away overnight from the individual's abode located outside of the City and while away overnight from that abode spends at least some portion, however minimal, of each of two consecutive days in the City.

(19) The individual's domicile in other taxable years;

(20) The location at which the individual is registered to vote;

(21) The address on the individual's driver's license;

(22) The location of real estate for which the individual claimed a property tax exemption or reduction allowed on the basis of the individual's residence or domicile;

(23) The location and value of abodes owned or leased by the individual;

(24) Declarations, written or oral, made by the individual regarding the individual's residency;

(25) The primary location at which the individual is employed.

Sec. 184.06. Sourcing Net Profits

This section applies to any taxpayer engaged in a business or profession in the City, unless the taxpayer is an individual who resides in the City or the taxpayer is an electric company, combined company, or telephone company that is subject to and required to file reports under Chapter 5745. of the Revised Code.

(A) Except as otherwise provided in division (B) of this section, net profit from a business or profession conducted both within and without the boundaries of the City shall be considered as having a taxable source in the City for purposes of this Chapter in the same proportion as the average ratio of the following:

(1) The average original cost of the real property and tangible personal property owned or used by the taxpayer in the business or profession in the City during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, tangible personal or real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(2) Wages, salaries, and other compensation paid during the taxable period to individuals employed in the business or profession for services performed in the City to wages, salaries, and other compensation paid during the same period to individuals employed in the business or profession, wherever the individual's services are performed, excluding compensation from which taxes are not required to be withheld under section 184.04;

(3) Total gross receipts of the business or profession from sales and rentals made and services performed during the taxable period in the City to total gross receipts of the business or profession during the same period from sales, rentals, and services, wherever made or performed.

(B)(1) If the apportionment factors described in division (A) of this section do not fairly represent the extent of a taxpayer's business activity in the City, the taxpayer may request, or the tax administrator may require, that the taxpayer use, with respect to all or any portion of the income of the taxpayer, an alternative apportionment method involving one or more of the following:

- (a) Separate accounting;
- (b) The exclusion of one or more of the factors;



(c) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation; or

(d) A modification of one or more of the factors.

(2) A taxpayer request to use an alternative apportionment method shall be in writing and shall accompany a tax return, timely filed appeal of an assessment, or timely filed amended tax return. The taxpayer may use the requested alternative method unless the tax administrator denies the request in an assessment issued within the period prescribed by division (A) of section 184.15.

(3) The tax administrator may require a taxpayer to use an alternative apportionment method as described in division (B)(1) of this section only by issuing an assessment to the taxpayer within the period prescribed by division (A) of section 184.15.

The tax administrator and taxpayer may enter into an alternative apportionment arrangement. Nothing in division (B) of this section nullifies or otherwise affects any alternative apportionment arrangement approved by the tax administrator or otherwise agreed upon by both the tax administrator and taxpayer before January 1, 2016.

(C) As used in division (A)(2) of this section, "wages, salaries, and other compensation" includes only wages, salaries, or other compensation paid to an employee for services performed at any of the following locations:

(1) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following:

(a) The employer;

(b) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient;

(c) A vendor, customer, client, or patient of a person described in division (C)(1)(b) of this section, or a related member of such a vendor, customer, client, or patient.

(2) Any location at which a trial, appeal, hearing, investigation, inquiry, review, court-martial, or similar administrative, judicial, or legislative matter or proceeding is being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer;

(3) Any other location, if the tax administrator determines that the employer directed the employee to perform the services at the other location in lieu of a location described in division (C)(1) or (2) of this section solely in order to avoid or reduce the employer's municipal income tax

liability. If the tax administrator makes such a determination, the employer may dispute the determination by establishing, by a preponderance of the evidence, that the tax administrator's determination was unreasonable.

(D) For the purposes of division (A)(3) of this section, receipts from sales and rentals made and services performed shall be sourced to the City as follows:

(1) Gross receipts from the sale of tangible personal property shall be sourced to the City if the sale originates in the City. For the purposes of this division, a sale of property originates in the City if, regardless of where title passes, the property meets any of the following criteria:

(a) The property is shipped to or delivered within the City from a stock of goods located within the City.

(b) The property is delivered within the City from a location outside the City, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City and the sales result from such solicitation or promotion.

(c) The property is shipped from a place within the City to purchasers outside the City, provided that the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(2) Gross receipts from the sale of services shall be sourced to the City to the extent that such services are performed in the City.

(3) To the extent included in income, gross receipts from the sale of real property located in the City shall be sourced to the City.

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the City shall be sourced to the City.

(5) Gross receipts from rents and royalties from tangible personal property shall be sourced to the City based upon the extent to which the tangible personal property is used in the City.

(E) The net profit received by an individual taxpayer from the rental of real estate owned directly by the individual or by a disregarded entity owned by the individual shall be subject to tax by the City if either:

(1) The property generating the net profit is located in the City; or

(2) The individual taxpayer that receives the net profit is a resident of the City.

Taxpayers may elect to use separate accounting for the purpose of calculating net profit sourced under this division to the municipal corporation in which the property is located.

(F)(1) Except as provided in division (F)(2) of this section, commissions received by a real estate agent or broker who does not reside in the City relating to the sale, purchase, or lease of real estate shall be sourced to the City if the real estate that generated the commissions is located in the City. Net profit reported by the nonresident real estate agent or broker shall be allocated to the City based upon the ratio of the commissions the agent or broker received from the sale, purchase, or lease of real estate located in the City to the commissions received from the sale, purchase, or lease of real estate everywhere in the taxable year.

(2) An individual who is a resident of the City shall report the individual's net profit from all real estate activity on the individual's annual tax return for the City. The individual may claim a credit for taxes the individual paid on such net profit to another municipal corporation to the extent that such a credit is allowed under section 184.34.

(G) If, in computing a taxpayer's adjusted federal taxable income, the taxpayer deducted any amount with respect to a stock option granted to an employee, and if the employee is not required to include in the employee's income any such amount or a portion thereof because it is exempted from taxation under divisions (C)(12) and (R)(1)(d) of section 718.01 of the Revised Code by a municipal corporation to which the taxpayer has apportioned a portion of its net profit, the taxpayer shall add the amount that is exempt from taxation to the taxpayer's net profit that was apportioned to that municipal corporation. In no case shall a taxpayer be required to add to its net profit that was apportioned to that municipal corporation any amount other than the amount upon which the employee would be required to pay tax were the amount related to the stock option not exempted from taxation.

This division applies solely for the purpose of making an adjustment to the amount of a taxpayer's net profit that was apportioned to a municipal corporation under this section.

(H) When calculating the ratios described in division (A) of this section for the purposes of that division or division (B) of this section, the owner of a disregarded entity shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.

#### Sec. 184.07. Collection at the Source

(A)(1) Each employer, agent of an employer, or other payer located or doing business in the City shall withhold from each employee an amount equal to the qualifying wages of the employee earned by the employee in the City multiplied by the applicable rate of the City's income tax, except for qualifying wages for which withholding is not required under section 184.04 or

division (D) or (F) of this section. An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.

(2) In addition to withholding the amounts required under division (A)(1) of this section, an employer, agent of an employer, or other payer may also deduct and withhold, on the request of an employee, taxes for the municipal corporation in which the employee is a resident.

(B)(1) Except as provided in division (B)(2) of this section, an employer, agent of an employer, or other payer shall remit to the tax administrator of the City the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:

(a) Taxes required to be deducted and withheld shall be remitted monthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the City in the preceding calendar year exceeded two thousand three hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the City in any month of the preceding calendar quarter exceeded two hundred dollars.

Payment under division (B)(1)(a) of this section shall be made so that the payment is received by the tax administrator not later than fifteen days after the last day of each month.

(b) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1)(a) of this section of taxes required to be deducted and withheld shall make quarterly payments to the tax administrator not later than the fifteenth day of the month following the end of each calendar quarter.

(2) Notwithstanding division (B)(1) of this section, if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the City in the preceding calendar year exceeded eleven thousand nine hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the City in any month of the preceding calendar year exceeded one thousand dollars, an employer, agent of an employer, or other payer shall:

(a) Remit taxes deducted and withheld semimonthly to the tax administrator. The payment under division (B)(2)(a) of this section shall be made so that the payment is received by the tax administrator not later than one of the following:

(i) If the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month, the third banking day after the fifteenth day of that month;

(ii) If the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of that month.

(b) Make payment by electronic funds transfer to the tax administrator of all taxes deducted and withheld on behalf of the City if the employer, agent of an employer, or other payer is required to make payments electronically for the purpose of paying federal taxes withheld on payments to employees under section 6302 of the Internal Revenue Code, 26 C.F.R. 31.6302-1, or any other federal statute or regulation. The payment of tax by electronic funds transfer under this division does not affect an employer's, agent's, or other payer's obligation to file any return as required under this section.

(C) An employer, agent of an employer, or other payer shall make and file a return showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the tax administrator. Unless the tax administrator requires all individual taxpayers to file a tax return under section 184.09, a return filed by an employer, agent, or other payer under this division shall be accepted by the tax administrator and the City as the return required of an employee whose sole income subject to the tax under this Chapter is the qualifying wages reported by the employee's employer, agent of an employer, or other payer.

(D) An employer, agent of an employer, or other payer is not required to withhold municipal income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of either the corporation with respect to whose stock the option has been issued or of such corporation's successor entity.

(E)(1) An employee is not relieved from liability for a tax by the failure of the employer, agent of an employer, or other payer to withhold the tax as required under this Chapter or by the employer's, agent's, or other payer's exemption from the requirement to withhold the tax.

(2) The failure of an employer, agent of an employer, or other payer to remit to the City the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer, agent, or other payer in connection with the failure to remit the tax withheld.

(F) Compensation deferred before June 26, 2003, is not subject to the tax or other requirements imposed by this Chapter to the extent the deferred compensation does not constitute qualifying wages at the time the deferred compensation is paid or distributed.

(G) Each employer, agent of an employer, or other payer required to withhold taxes is liable for the payment of that amount required to be withheld, whether or not such taxes have been withheld, and such amount shall be deemed to be held in trust for the City until such time as the withheld amount is remitted to the tax administrator.

(H) On or before the last day of February of each year, an employer shall file a withholding reconciliation return with the tax administrator listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for the City during the preceding calendar year, the amount of tax withheld, if any, from each such employee, the total amount of qualifying wages paid to such employee during the preceding calendar year, the name of every other municipal corporation for which tax was withheld or should have been withheld from such employee during the preceding calendar year, any other information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent form with respect to such employee, and other information as may be required by the tax administrator.

(I) The officer or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this section, shall be personally liable for a failure to file a report or pay the tax due as required by this section. The dissolution of an employer, agent of an employer, or other payer does not discharge the officer's or employee's liability for a failure of the employer, agent of an employer, or other payer to file returns or pay any tax due.

(J) An employer is required to deduct and withhold municipal income tax on tips and gratuities received by the employer's employees and constituting qualifying wages only to the extent that the tips and gratuities are under the employer's control. For the purposes of this division, a tip or gratuity is under the employer's control if the tip or gratuity is paid by the customer to the

employer for subsequent remittance to the employee, or if the customer pays the tip or gratuity by credit card, debit card, or other electronic means.

(K) A tax administrator shall consider any tax withheld by an employer at the request of an employee when such tax is not otherwise required to be withheld by this Chapter to be tax required to be withheld and remitted for the purposes of this section.

#### Sec. 184.08. Casino Facilities and Video Lottery Terminal Sales Agents

(A) A casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state shall withhold and remit municipal income tax with respect to amounts other than qualifying wages as provided in this section.

(B) If a person's winnings at a casino facility located in the City are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the casino operator shall deduct and withhold municipal income tax from the person's winnings at the rate of the tax imposed by this Chapter.

Amounts deducted and withheld by a casino operator are held in trust for the benefit of the City.

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax administrator, providing the name, address, and social security number of the person from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax administrator. With this return, the casino operator shall remit electronically to the City all amounts deducted and withheld during the preceding month.

(2) Annually, on or before the thirty-first day of January, a casino operator of a casino facility located in the City shall file an annual return electronically with the tax administrator, indicating the total amount deducted and withheld during the preceding calendar year. The casino operator shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the name, address, or social security number of a person or the amount deducted and withheld with respect to that person was omitted on a monthly return for that reporting period, that information shall be indicated on the annual return.

(3) Annually, on or before the thirty-first day of January, a casino operator shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted from the person's winnings during the preceding year. The casino operator shall provide to the tax administrator a copy of each information return issued under this division. The tax administrator may require that such copies be transmitted electronically.

(4) A casino operator that fails to file a return and remit the amounts deducted and withheld shall be personally liable for the amount withheld and not remitted. Such personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.

(5) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld along with any penalties and interest thereon until the predecessor casino operator produces either of the following:

(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(b) A certificate from the tax administrator indicating that no amounts are due.

(c) If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon.

(6) The failure of a casino operator to deduct and withhold the required amount from a person's winnings does not relieve that person from liability for the municipal income tax with respect to those winnings.

(C) If a person's prize award from a video lottery terminal at a facility located in the City is an amount for which reporting to the internal revenue service is required by section 6041 of the Internal Revenue Code, as amended, the video lottery sales agent shall deduct and withhold municipal income tax from the person's prize award at the rate of the tax imposed by this Chapter.

Amounts deducted and withheld by a video lottery sales agent are held in trust for the benefit of the municipal corporation to which the tax is owed.

(1) The video lottery sales agent shall issue to a person from whose prize award an amount has been deducted and withheld a receipt for the amount deducted and withheld, and shall obtain



from the person receiving a prize award the person's name, address, and social security number in order to facilitate the preparation of returns required by this section.

(2) On or before the tenth day of each month, the video lottery sales agent shall file a return electronically with the tax administrator providing the names, addresses, and social security numbers of the persons from whose prize awards amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the prize award from which each such amount was withheld, and any other information required by the tax administrator. With the return, the video lottery sales agent shall remit electronically to the tax administrator all amounts deducted and withheld during the preceding month.

(3) A video lottery sales agent shall maintain a record of all receipts issued under division (E) of this section and shall make those records available to the tax administrator upon request. Such records shall be maintained in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(D)(1) Annually, on or before the thirty-first day of January, each video lottery terminal sales agent of a facility located in the City shall file an annual return electronically with the tax administrator indicating the total amount deducted and withheld during the preceding calendar year. The video lottery sales agent shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the name, address, or social security number of a person or the amount deducted and withheld with respect to that person was omitted on a monthly return for that reporting period, that information shall be indicated on the annual return.

(2) Annually, on or before the thirty-first day of January, a video lottery sales agent shall issue an information return to each person with respect to whom an amount has been deducted and withheld during the preceding calendar year. The information return shall show the total amount of municipal income tax deducted and withheld from the person's prize award by the video lottery sales agent during the preceding year. A video lottery sales agent shall provide to the tax administrator a copy of each information return issued under this division. The tax administrator may require that such copies be transmitted electronically.

(3) A video lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. Such

personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.

(E)(1) If a video lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor of the video lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount from the purchase money that is sufficient to cover the amounts deducted and withheld and any penalties and interest thereon until the predecessor video lottery sales agent operator produces either of the following:

(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid;

(b) A certificate from the tax administrator indicating that no amounts are due.

(2) If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon.

(F) The failure of a video lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve that person from liability for the municipal income tax with respect to that prize award.

(G) If a casino operator or lottery sales agent files a return late, fails to file a return, remits amounts deducted and withheld late, or fails to remit amounts deducted and withheld as required under this section, the tax administrator may impose the following applicable penalty:

(1) For the late remittance of, or failure to remit, tax deducted and withheld under this section, a penalty equal to fifty per cent of the tax deducted and withheld;

(2) For the failure to file, or the late filing of, a monthly or annual return, a penalty of five hundred dollars for each return not filed or filed late. Interest shall accrue on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code.

(H) Amounts deducted and withheld on behalf of the City shall be allowed as a credit against payment of the tax imposed by the municipal corporation and shall be treated as taxes paid for purposes of section 184.13. This division applies only to the person for whom the amount is deducted and withheld.

(I) The tax administrator shall prescribe the forms of the receipts and returns required under this section.

Sec. 184.09. Returns

(A) An annual return with respect to the income tax levied by the City shall be completed and filed by every taxpayer for any taxable year for which the taxpayer is liable for the tax.

(1) If an individual is deceased, any return or notice required of that individual shall be completed and filed by that decedent's executor, administrator, or other person charged with the property of that decedent.

(2) If an individual is unable to complete and file a return or notice required by this Chapter, the return or notice required of that individual shall be completed and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person legally charged with the care of the person or property of that individual.

(3) Returns or notices required of an estate or a trust shall be completed and filed by the fiduciary of the estate or trust.

(B) Taxpayers that are legally married may, at their option, file a joint return.

(C)(1) Each return required to be filed under this section shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer, and shall include the taxpayer's social security number or taxpayer identification number. Each return shall be verified by a declaration under penalty of perjury.

(2) The tax administrator may require a taxpayer who is an individual to include, with each annual return, amended return, or request for refund required under this section, copies of the following documents: all of the taxpayer's Internal Revenue Service form W-2, "Wage and Tax Statements," including all information reported on the taxpayer's federal W-2, as well as taxable wages reported or withheld for any municipal corporation; the taxpayer's Internal Revenue Service form 1040; and, with respect to an amended tax return or refund request, any other documentation necessary to support the refund request or the adjustments made in the amended return. An individual taxpayer who files the annual return required by this section electronically is not required to provide paper copies of any of the foregoing to the tax administrator unless the tax administrator requests such copies after the return has been filed.

(3) The tax administrator may require a taxpayer that is not an individual to include, with each annual net profit return, amended net profit return, or request for refund required under this section, copies of only the following documents: the taxpayer's Internal Revenue Service form 1041, form 1065, form 1120, form 1120-REIT, form 1120F, or form 1120S, and, with respect to

an amended tax return or refund request, any other documentation necessary to support the refund request or the adjustments made in the amended return.

(4) A taxpayer that is not an individual and that files an annual net profit return electronically through the Ohio business gateway or in some other manner shall either mail the documents required under this division to the tax administrator at the time of filing or, if electronic submission is available, submit the documents electronically through the Ohio business gateway in the manner prescribed by the Ohio department of taxation.

(5) After a taxpayer files a tax return, the tax administrator may request, and the taxpayer shall provide, any information, statements, or documents required by the City to determine and verify the taxpayer's municipal income tax liability. The requirements imposed under division (C) of this section apply regardless of whether the taxpayer files on a generic form or on a form prescribed by the tax administrator.

(D)(1) Except as otherwise provided in this Chapter, each return required to be filed under this section shall be completed and filed as required by the tax administrator on or before the date prescribed for the filing of state individual income tax returns under division (G) of section 5747.08 of the Revised Code. The taxpayer shall complete and file the return or notice on forms prescribed by the tax administrator or on generic forms, together with remittance made payable to the City. No remittance is required if the amount shown to be due is ten dollars or less.

(2) Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates. An extension of time to file under this division is not an extension of the time to pay any tax due unless the tax administrator grants an extension of that date.

(3) If the tax commissioner extends for all taxpayers the date for filing state income tax returns under division (G) of section 5747.08 of the Revised Code, a taxpayer shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the same as the extended due date of the state income tax return.

(4) If the tax administrator considers it necessary in order to ensure the payment of the tax imposed by the City in accordance with this Chapter, the tax administrator may require taxpayers

to file returns and make payments otherwise than as provided in this section, including taxpayers not otherwise required to file annual returns.

(5) To the extent that any provision in this division conflicts with any provision in section 184.11, the provision in that section prevails.

(E)(1) For taxable years beginning after 2015, a taxpayer shall not be required to remit tax with respect to net profits if the amount due is less than ten dollars.

(2) Any taxpayer not required to remit tax to a municipal corporation for a taxable year pursuant to division (E)(1) of this section shall file with the municipal corporation an annual net profit return under division (C)(3) of this section.

(F) This division shall not apply to payments required to be made under division (B)(1)(a) or (2)(a) of section 184.07.

(1) If any report, claim, statement, or other document required to be filed, or any payment required to be made, within a prescribed period or on or before a prescribed date under this Chapter is delivered after that period or that date by United States mail to the tax administrator, the date of the postmark stamped on the cover in which the report, claim, statement, or other document, or payment is mailed shall be deemed to be the date of delivery or the date of payment. "The date of postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(2) If a payment is required to be made by electronic funds transfer, the payment is considered to be made when the payment is credited to an account designated by the tax administrator for the receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment.

(G) The amounts withheld by an employer, the agent of an employer, or an other payer as described in section 184.07 shall be allowed to the recipient of the compensation as credits against payment of the tax imposed on the recipient by the municipal corporation, unless the amounts withheld were not remitted to the municipal corporation and the recipient colluded with the employer, agent, or other payer in connection with the failure to remit the amounts withheld.

(H) Each return required by the City to be filed in accordance with this section shall include a box that the taxpayer may check to authorize another person, including a tax return preparer who prepared the return, to communicate with the tax administrator about matters pertaining to the

return. The return or instructions accompanying the return shall indicate that by checking the box the taxpayer authorizes the tax administrator to contact the preparer or other person concerning questions that arise during the examination or other review of the return and authorizes the preparer or other person only to provide the tax administrator with information that is missing from the return, to contact the tax administrator for information about the examination or other review of the return or the status of the taxpayer's refund or payments, and to respond to notices about mathematical errors, offsets, or return preparation that the taxpayer has received from the tax administrator and has shown to the preparer or other person.

(I) The tax administrator shall accept for filing a generic form of any income tax return, report, or document required by the City in accordance with this Chapter, provided that the generic form, once completed and filed, contains all of the information required by ordinance, resolution, or rules adopted by the City or tax administrator, and provided that the taxpayer or tax return preparer filing the generic form otherwise complies with the provisions of this Chapter and of the City's ordinance or resolution governing the filing of returns, reports, or documents.

(J) When income tax returns, reports, or other documents require the signature of a tax return preparer, the tax administrator shall accept a facsimile of such a signature in lieu of a manual signature.

#### Sec. 184.10. Ohio Business Gateway

(A) Any taxpayer subject to the tax imposed by this Chapter with respect to the taxpayer's net profit from a business or profession may file the taxpayer's municipal income tax return or, estimated municipal income tax return, or extension for filing a municipal income tax return, and may make payment of amounts shown to be due on such returns, by using the Ohio business gateway.

(B) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying wages, and may make remittance of such amounts, by using the Ohio business gateway.

(C) Nothing in this section affects the due dates for filing employer withholding tax returns.

(D) The use of the Ohio business gateway by taxpayers or other persons pursuant to this section does not affect the authority, legal rights or obligations of the City or taxpayers under this Chapter.

#### Sec. 184.11. Military Personnel

(A) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an act of the congress of the United States, and each civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces, may apply to the tax administrator for both an extension of time for filing of the return and an extension of time for payment of taxes required by this Chapter during the period of the member's or civilian's duty service and for one hundred eighty days thereafter. The application shall be filed on or before the one hundred eightieth day after the member's or civilian's duty terminates. An applicant shall provide such evidence as the tax administrator considers necessary to demonstrate eligibility for the extension.

(B)(1) If the tax administrator ascertains that an applicant is qualified for an extension under this section, the tax administrator shall enter into a contract with the applicant for the payment of the tax in installments that begin on the one hundred eighty-first day after the applicant's active duty or service terminates. Except as provided in division (B)(3) of this section, the tax administrator may prescribe such contract terms as the tax administrator considers appropriate.

(2) If the tax administrator ascertains that an applicant is qualified for an extension under this section, the applicant shall neither be required to file any return, report, or other tax document nor be required to pay any tax otherwise due to the City before the one hundred eighty-first day after the applicant's active duty or service terminates.

(3) Taxes paid pursuant to a contract entered into under division (B)(1) of this section are not delinquent. The tax administrator shall not require any payments of penalties or interest in connection with those taxes for the extension period.

(C)(1) Nothing in this division denies to any person described in this division the application of divisions (A) and (B) of this section.

(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this Chapter. The length of any extension granted under division (C)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this section, "qualifying taxpayer" means a

member of the national guard or a member of a reserve component of the armed forces of the United States called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States, or a civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces.

(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. The tax administrator shall not require any payment of penalties or interest in connection with those taxes for the extension period. The tax administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty or interest due on any unpaid tax.

(D) For each taxable year to which division (A), (B), or (C) of this section applies to a taxpayer, the provisions of divisions (B)(2) and (3) or (C) of this section, as applicable, apply to the spouse of that taxpayer if the filing status of the spouse and the taxpayer is married filing jointly for that year.

#### Sec. 184.12. Combined Returns

(A) As used in this section:

(1) "Affiliated group of corporations" means an affiliated group as defined in section 1504 of the Internal Revenue Code, except that, if such a group includes at least one incumbent local exchange carrier that is primarily engaged in the business of providing local exchange telephone service in this state, the affiliated group shall not include any incumbent local exchange carrier that would otherwise be included in the group.

(2) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.

(3) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. "Consolidated federal taxable income" does not include income or loss of an incumbent local exchange carrier that is excluded from the affiliated group under division (A)(1) of this section.

(4) "Incumbent local exchange carrier" has the same meaning as in section 4927.01 of the Revised Code.



(5) "Local exchange telephone service" has the same meaning as in section 5727.01 of the Revised Code.

(B)(1) For taxable years beginning on or after January 1, 2016, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group of corporations is subject to the tax imposed by the City in that taxable year and if the affiliated group of corporations filed a consolidated federal income tax return with respect to that taxable year. The election is binding for a five-year period beginning with the first taxable year of the initial election unless a change in the reporting method is required under federal law. The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing consolidated municipal income tax returns under division (B)(2) of this section or a taxpayer receives permission from the tax administrator. The tax administrator shall approve such a request for good cause shown.

(2) An election to discontinue filing consolidated municipal income tax returns under this section must be made in the first year following the last year of a five-year consolidated municipal income tax return election period in effect under division (B)(1) of this section. The election to discontinue filing a consolidated municipal income tax return is binding for a five-year period beginning with the first taxable year of the election.

(3) An election made under division (B)(1) or (2) of this section is binding on all members of the affiliated group of corporations subject to a municipal income tax.

(C) A taxpayer that is a member of an affiliated group of corporations that filed a consolidated federal income tax return for a taxable year shall file a consolidated municipal income tax return for that taxable year if the tax administrator determines, by a preponderance of the evidence, that intercompany transactions have not been conducted at arm's length and that there has been a distortive shifting of income or expenses with regard to allocation of net profits to the municipal corporation. A taxpayer that is required to file a consolidated municipal income tax return for a taxable year shall file a consolidated municipal income tax return for all subsequent taxable years unless the taxpayer requests and receives written permission from the tax administrator to file a separate return or a taxpayer has experienced a change in circumstances.

(D) A taxpayer shall prepare a consolidated municipal income tax return in the same manner as is required under the United States department of treasury regulations that prescribe

procedures for the preparation of the consolidated federal income tax return required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

(E)(1) Except as otherwise provided in divisions (E)(2), (3), and (4) of this section, corporations that file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in section 184.02, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

(2) No corporation filing a consolidated municipal income tax return shall make any adjustment otherwise required under division (E) of section 184.02 to the extent that the item of income or deduction otherwise subject to the adjustment has been eliminated or consolidated in the computation of consolidated federal taxable income.

(3) If the net profit or loss of a pass-through entity having at least eighty per cent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, the corporation filing a consolidated municipal income tax return shall do one of the following with respect to that pass-through entity's net profit or loss for that taxable year:

(a) Exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 184.06, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sourced to a municipal corporation. If the entity's net profit or loss is so excluded, the entity shall be subject to taxation as a separate taxpayer on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(b) Include the pass-through entity's net profit or loss in the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 184.06, include the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sourced to a municipal corporation. If the entity's net profit or loss is so included, the entity shall not be subject to taxation as a separate taxpayer on the basis of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.

(4) If the net profit or loss of a pass-through entity having less than eighty per cent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, all of the following shall apply:

(5) The corporation filing the consolidated municipal income tax return shall exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purposes of making the computations required in section 184.06, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sourced to a municipal corporation;

(6) The pass-through entity shall be subject to municipal income taxation as a separate taxpayer in accordance with this Chapter on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(F) Corporations filing a consolidated municipal income tax return shall make the computations required under section 184.06 by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.

(G) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by the City in accordance with this Chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.

(H) Corporations and their affiliates that made an election or entered into an agreement with a municipal corporation before January 1, 2016, to file a consolidated or combined tax return with the City may continue to file consolidated or combined tax returns in accordance with such election or agreement for taxable years beginning on and after January 1, 2016.

#### Sec. 184.13. Declaration of Estimated Taxes

(A) As used in this section:

(1) "Estimated taxes" means the amount that the taxpayer reasonably estimates to be the taxpayer's tax liability for the income tax for the current taxable year.

(2) "Tax liability" means the total taxes due to the City for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year.

(B)(1) Except as provided in division (F) of this section, every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the tax administrator, if the amount payable as estimated taxes is at least two hundred dollars. For the purposes of this section:

(a) Taxes withheld from qualifying wages shall be considered as paid to the City in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld.

(b) An overpayment of tax applied as a credit to a subsequent taxable year is deemed to be paid on the date of the postmark stamped on the cover in which the payment is mailed or, if the payment is made by electronic funds transfer, the date the payment is submitted. As used in this division, "date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(c) Taxes withheld by a casino operator or by a lottery sales agent under section 184.08 are deemed to be paid to the City on the date the taxes are withheld from the taxpayer's winnings.

(2) Except as provided in division (F) of this section, taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the tax administrator. Except as provided in division (F) of this section, a taxpayer having a taxable year of less than twelve months shall make a declaration under rules prescribed by the tax administrator.

(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (D) of section 184.09 or on or before the fifteenth day of the fourth month after the taxpayer becomes subject to tax for the first time.

(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period.

(5) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section.

(C)(1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the City or tax administrator, including the application of tax refunds to estimated taxes and withholding on or before the applicable payment date, shall be as follows:

(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year;

(b) On or before the fifteenth day of the sixth month after the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year;

(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year;

(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.

(2) When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates.

(3) On or before the fifteenth day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with section 184.09.

(D)(1) In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed pursuant to section 184.24 upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(c) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a

payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

(E) An underpayment of any portion of tax liability determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply:

(1) The amount of estimated taxes that were paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.

(2) The amount of estimated taxes that were paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under section 184.09 for that year.

(3) The taxpayer is an individual who resides in the municipal corporation but was not domiciled there on the first day of January of the calendar year that includes the first day of the taxable year.

(F) The tax administrator may waive the requirement for filing a declaration of estimated taxes for any class of taxpayers after finding that the waiver is reasonable and proper in view of administrative costs and other factors.

#### Sec. 184.14. Local Board of Tax Review

(A)(1) There is hereby established a local board of tax review to hear appeals as provided in this section, and to exercise such other powers and authority as may be provided in this Chapter.

(2) The local board of tax review shall consist of three members. Two members shall be appointed by the Council of the City, but such appointees may not be employees, elected officials, or contractors with the City at any time during their term or in the five years immediately preceding the date of appointment. One member shall be appointed by the mayor of the City. This member may be an employee of the City, but may not be the treasurer or other similar official or an employee directly involved in municipal tax matters, or any direct subordinate of such a person.

(3) The term for members of the local board of tax review shall be two years. There is no limit on the number of terms that a member may serve if the member is reappointed. The board

member appointed by the top administrative official shall serve at the discretion of the administrative official.

(4) Members of the local board of tax review appointed by the Council of the City may be removed by the Council by majority vote for malfeasance, misfeasance, or nonfeasance in office. To remove such a member, the Council must give the member a copy of the charges against the member and afford the member an opportunity to be publicly heard in person or by counsel in the member's own defense upon not less than ten days' notice. The decision by the Council on the charges is final and not appealable.

(5) A member of the local board of tax review who, for any reason, ceases to meet the qualifications for the position prescribed by this section shall resign immediately by operation of law.

(6) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within sixty days of when the vacancy was created. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. No vacancy on the local board of tax review shall impair the power and authority of the remaining members to exercise all the powers of the board.

(7) If a member is temporarily unable to serve on the local board of tax review due to a conflict of interest, illness, absence, or similar reason, the legislative authority or top administrative official that appointed the member shall appoint another individual to temporarily serve on the board in the member's place. The appointment of such an individual shall be subject to the same requirements and limitations as are applicable to the appointment of the member temporarily unable to serve.

(B) Whenever the tax administrator issues an assessment regarding the underpayment of municipal income tax or denies a refund claim, the tax administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the assessment or denial, the manner in which the taxpayer may appeal the assessment or denial, and the address to which the appeal should be directed.

(C) Any person who has been issued an assessment may appeal the decision assessment to the local board of tax review created pursuant to this section by filing a request with the board. The request shall be in writing, shall specify the reason or reasons why the assessment should be

deemed incorrect or unlawful, and shall be filed within sixty days after the taxpayer receives the assessment.

(D) The local board of tax review shall schedule a hearing to be held within sixty days after receiving an appeal of an assessment under division (C) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board and may be represented by an attorney at law, certified public accountant, or other representative. The board may allow a hearing to be continued as jointly agreed to by the parties. In such a case, the hearing must be completed within one hundred twenty days after the first day of the hearing unless the parties agree otherwise.

(E) The local board of tax review may affirm, reverse, or modify the tax administrator's assessment or any part of that assessment. The board shall issue a final determination on the appeal within ninety days after the board's final hearing on the appeal, and send a copy of its final determination by ordinary mail to all of the parties to the appeal within fifteen days after issuing the final determination. The taxpayer or the tax administrator may appeal the board's decision final determination as provided in section 5717.011 of the Revised Code.

(F) The local board of tax review created pursuant to this section shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under section 149.43 of the Revised Code. Hearings requested by a taxpayer before a local board of tax review created pursuant to this section are not meetings of a public body subject to section 121.22 of the Revised Code.

#### Sec. 184.15. Actions to Collect

(A)(1)(a) Civil actions to recover municipal income taxes and penalties and interest on municipal income taxes shall be brought within the later of:

- (i) Three years after the tax was due or the return was filed, whichever is later; or
- (ii) One year after the conclusion of the qualifying deferral period, if any.

(b) The time limit described in division (A)(1)(a) of this section may be extended at any time if both the tax administrator and the employer, agent of the employer, other payer, or taxpayer consent in writing to the extension. Any extension shall also extend for the same period of time the time limit described in division (C) of this section.

(2) As used in this section, "qualifying deferral period" means a period of time beginning and ending as follows:



(a) The date beginning on the date a person who is aggrieved by an assessment files with a local board of tax review the request described in section 184.14. That date shall not be affected by any subsequent decision, finding, or holding by any administrative body or court that the local board of tax review with which the aggrieved person filed the request did not have jurisdiction to affirm, reverse, or modify the assessment or any part of that assessment.

(b) Ending the later of the sixtieth day after the date on which the final determination of the local board of tax review becomes final or, if any party appeals from the determination of the local board of tax review, the sixtieth day after the date on which the final determination of the local board of tax review is either ultimately affirmed in whole or in part or ultimately reversed and no further appeal of either that affirmation, in whole or in part, or that reversal is available or taken.

(B) Prosecutions for an offense made punishable under this Chapter shall be commenced within three years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five per cent or more of income required to be reported, prosecutions may be commenced within six years after the commission of the offense.

(C) A claim for a refund of municipal income taxes shall be brought within the time limitation provided in section 184.19.

(D) Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within ninety days after the final filing date of the annual return or ninety days after the completed return is filed, whichever is later, no interest shall be allowed on the refund. For the purpose of computing the payment of interest on amounts overpaid, no amount of tax for any taxable year shall be considered to have been paid before the date on which the return on which the tax is reported is due, without regard to any extension of time for filing that return. Interest shall be paid at the interest rate described in division (A)(5) of section 184.24.

(E) Within sixty days after the final determination of any federal or state tax liability affecting the taxpayer's municipal tax liability, that taxpayer shall make and file an amended municipal return showing income subject to the municipal income tax based upon such final determination of federal or state tax liability, and pay any additional municipal income tax shown

due thereon or make a claim for refund of any overpayment, unless the tax or overpayment is less than ten dollars.

(F)(1) Notwithstanding the fact that an appeal is pending, the petitioner may pay all or a portion of the assessment that is the subject of the appeal. The acceptance of a payment by the City does not prejudice any claim for refund upon final determination of the appeal.

(2) If upon final determination of the appeal an error in the assessment is corrected by the tax administrator, upon an appeal so filed or pursuant to a final determination of the local board of tax review created under section 184.14, of the Ohio board of tax appeals, or any court to which the decision of the Ohio board of tax appeals has been appealed, so that the amount due from the party assessed under the corrected assessment is less than the amount paid, there shall be issued to the appellant or to the appellant's assigns or legal representative a refund in the amount of the overpayment as provided by section 184.19, with interest on that amount as provided by division (D) of this section.

(G) No civil action to recover municipal income tax or related penalties or interest shall be brought during either of the following time periods:

(1) The period during which a taxpayer has a right to appeal the imposition of that tax or interest or penalties;

(2) The period during which an appeal related to the imposition of that tax or interest or those penalties is pending.

#### Sec. 184.16. Limited Credit

(A) Except as provided in division (B) of this section, if tax or withholding is paid to another municipal corporation on income or wages, and if the City imposes or assesses a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the City shall allow a nonrefundable credit, against the tax or withholding that is due with respect to such income or wages, equal to the tax or withholding paid to the first municipal corporation with respect to such income or wages.

(1) If the tax rate in the City is less than the tax rate in the other municipal corporation, then the credit described in division (A) of this section shall be calculated using the tax rate in effect in the City.

(2) If the tax rate in the City is greater than the tax rate in the other municipal corporation, the tax due in excess of the credit afforded is to be paid to the City, along with any penalty and interest accruing thereto during the period of nonpayment.

(B) Nothing in this section permits any credit carryforward.

#### Sec. 184.17. Information Not To Be Disclosed

(A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this Chapter or by a charter or ordinance of the City is confidential, and no person shall access or disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the City as authorized by this Chapter or the charter or this Chapter. The tax administrator or its designee may furnish copies of returns filed or otherwise received under this Chapter and other related tax information to the internal revenue service, the Ohio tax commissioner, and tax administrators of other municipal corporations.

(B) This section does not prohibit the City from publishing or disclosing statistics in a form that does not disclose information with respect to particular taxpayers.

#### Sec. 184.18. Service of Assessments

(A)(1) Subject to division (B) of this section, a copy of each assessment shall be served upon the person affected thereby either by personal service, by certified mail, or by authorized delivery service.

(2) With the permission of the person affected by an assessment, the tax administrator may deliver the assessment through alternative means as provided in this section, including, but not limited to, delivery by secure electronic mail. Delivery by such means satisfies the requirements for delivery under this section.

(B)(1)(a) If certified mail is returned because of an undeliverable address, the tax administrator shall utilize reasonable means to ascertain a new last known address, including the use of a change of address service offered by the postal service or an authorized delivery service. If, after using reasonable means, the tax administrator is unable to ascertain a new last known address, the assessment shall be sent by ordinary mail and considered served. If the ordinary mail is subsequently returned because of an undeliverable address, the assessment remains appealable within sixty days after the assessment's postmark.

(b) Once the tax administrator or other municipal official, or the designee of either, serves an assessment on the person to whom the assessment is directed, the person may protest the ruling of that assessment by filing an appeal with the local board of tax review within sixty days after the receipt of service. The delivery of an assessment of the tax administrator under division (B)(1)(a) of this section is prima facie evidence that delivery is complete and that the assessment is served.

(2) If mailing of an assessment by the tax administrator by certified mail is returned for some cause other than an undeliverable address, the tax administrator shall resend the assessment by ordinary mail. The assessment shall show the date the tax administrator sends the assessment and include the following statement:

"This assessment is deemed to be served on the addressee under applicable law ten days from the date this assessment was mailed by the tax administrator as shown on the assessment, and all periods within which an appeal may be filed apply from and after that date."

(3) Unless the mailing is returned because of an undeliverable address, the mailing of that information is prima facie evidence that delivery of the assessment was completed ten days after the tax administrator sent the assessment by ordinary mail and that the assessment was served.

(4) If the ordinary mail is subsequently returned because of an undeliverable address, the tax administrator shall proceed under division (B)(1)(a) of this section. A person may challenge the presumption of delivery and service under this division in accordance with division (C) of this section.

(C)(1) A person disputing the presumption of delivery and service under division (B) of this section bears the burden of proving by a preponderance of the evidence that the address to which the assessment was sent was not an address with which the person was associated at the time the tax administrator originally mailed the assessment by certified mail. For the purposes of this section, a person is associated with an address at the time the tax administrator originally mailed the assessment if, at that time, the person was residing, receiving legal documents, or conducting business at the address; or if, before that time, the person had conducted business at the address and, when the assessment was mailed, the person's agent or the person's affiliate was conducting business at the address. For the purposes of this section, a person's affiliate is any other person that, at the time the assessment was mailed, owned or controlled at least twenty per cent, as determined by voting rights, of the addressee's business.

(2) If a person elects to appeal an assessment on the basis described in division (C)(1) of this section, and if that assessment is subject to collection and is not otherwise appealable, the person must do so within sixty days after the initial contact by the tax administrator or other municipal official, or the designee of either, with the person. Nothing in this division prevents the tax administrator or other official from entering into a compromise with the person if the person does not actually file such an appeal with the local board of tax review.

(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering an assessment by a tax administrator by personal service.

(E) Collection actions taken upon any assessment being appealed under division (B)(1)(b) of this section shall be stayed upon the pendency of an appeal under this section. If an appeal is filed pursuant to this section on a claim that has been delivered for collection, the collection activities with respect to the assessment shall be stayed.

(F) As used in this section:

(1) "Last known address" means the address the tax administrator has at the time a document is originally sent by certified mail, or any address the tax administrator can ascertain using reasonable means such as the use of a change of address service offered by the postal service or an authorized delivery service.

(2) "Undeliverable address" means an address to which the postal service or an authorized delivery service is not able to deliver an assessment of the tax administrator, except when the reason for nondelivery is because the addressee fails to acknowledge or accept the assessment.

#### Sec. 184.19. Refund of Tax Paid

(A) Upon receipt of a request for a refund, the tax administrator, in accordance with this section, shall refund to employers, agents of employers, other payers, or taxpayers, with respect to any income or withholding tax levied by the municipal corporation:

(1) Overpayments of more than ten dollars;

(2) Amounts paid erroneously if the refund requested exceeds ten dollars.

(B)(1) Except as otherwise provided in this Chapter, requests for refund shall be filed with the tax administrator, on the form prescribed by the tax administrator within three years after the tax was due or paid, whichever is later. The tax administrator may require the requestor to file with the request any documentation that substantiates the requestor's claim for a refund.

(2) On filing of the refund request, the tax administrator shall determine the amount of refund due and certify such amount to the appropriate municipal corporation official for payment. The tax administrator shall issue an assessment to any taxpayer whose request for refund is fully or partially denied. The assessment shall state the amount of the refund that was denied, the reasons for the denial, and instructions for appealing the assessment.

If a tax administrator denies in whole or in part a refund request included within the taxpayer's originally filed annual income tax return, the tax administrator shall notify the taxpayer, in writing, of the amount of the refund that was denied, the reasons for the denial, and instructions for requesting an assessment that may be appealed under section 184.14.

(C) A request for a refund that is received after the last day for filing specified in division (B) of this section shall be considered to have been filed in a timely manner if any of the following situations exist:

(1) The request is delivered by the postal service, and the earliest postal service postmark on the cover in which the request is enclosed is not later than the last day for filing the request.

(2) The request is delivered by the postal service, the only postmark on the cover in which the request is enclosed was affixed by a private postal meter, the date of that postmark is not later than the last day for filing the request, and the request is received within seven days of such last day.

(3) The request is delivered by the postal service, no postmark date was affixed to the cover in which the request is enclosed or the date of the postmark so affixed is not legible, and the request is received within seven days of the last day for making the request.

(D) As used in this section, "withholding tax" has the same meaning as in section 184.24.  
Sec. 184.20. Investigatory Powers

For purposes of this section, any reference to the tax administrator includes any authorized agent or employee of the tax administrator.

(A) The tax administrator may examine the books, papers, records, and federal and state income tax returns of any employer, taxpayer, or other person that is subject to, or that the tax administrator believes is subject to, the provisions of this Chapter for the purpose of verifying the accuracy of any return made or, if no return was filed, to ascertain the tax due under this Chapter. Upon written request by the tax administrator, every employer, taxpayer, or other person subject to this section is required to furnish the opportunity for the tax administrator, authorized agent, or

employee to investigate and examine such books, papers, records, and federal and state income tax returns at a reasonable time and place designated in the request.

(B) The records and other documents of any taxpayer, employer, or other person that is subject to, or that a tax administrator believes is subject to, the provisions of this Chapter shall be open to the tax administrator's inspection during business hours and shall be preserved for a period of six years following the end of the taxable year to which the records or documents relate, unless the tax administrator, in writing, consents to their destruction within that period, or by order requires that they be kept longer. The tax administrator may require any person, by notice served on that person, to keep such records as the tax administrator determines necessary to show whether or not that person is liable, and the extent of such liability, for the income tax levied by the municipal corporation or for the withholding of such tax.

(C) The tax administrator may examine under oath any person that the tax administrator reasonably believes has knowledge concerning any income that was or would have been returned for taxation or any transaction tending to affect such income. The tax administrator may, for this purpose, compel any such person to attend a hearing or examination and to produce any books, papers, records, and federal income tax returns in such person's possession or control. The person may be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner at any such hearing or examination. This division does not authorize the practice of law by a person who is not an attorney.

(D) No person issued written notice by the tax administrator compelling attendance at a hearing or examination or the production of books, papers, records, or federal income tax returns under this section shall fail to comply.

#### Sec. 184.21. Duties of Tax Administrator

The tax administrator shall perform the following duties or functions, unless the performance of such duties or functions is expressly limited by a provision of the Revised Code or the charter or ordinances of the City:

(A) Exercise all powers whatsoever of an inquisitorial nature as provided by law, including, the right to inspect books, accounts, records, memorandums, and federal and state income tax returns, to examine persons under oath, to issue orders or subpoenas for the production of books, accounts, papers, records, documents, and testimony, to take depositions, to apply to a court for attachment proceedings as for contempt, to approve vouchers for the fees of officers and witnesses,

and to administer oaths; provided that the powers referred to in this division of this section shall be exercised by the tax administrator only in connection with the performance of the duties respectively assigned to the tax administrator;

(B) Appoint agents and prescribe their powers and duties;

(C) Confer and meet with officers of other municipal corporations and states and officers of the United States on any matters pertaining to their respective official duties as provided by law;

(D) Exercise the authority provided by law, including orders from bankruptcy courts, relative to remitting or refunding taxes, including penalties and interest thereon, illegally or erroneously imposed or collected, or for any other reason overpaid, and, in addition, the tax administrator may investigate any claim of overpayment and make a written statement of the tax administrator's findings, and, if the tax administrator finds that there has been an overpayment, approve and issue a refund payable to the taxpayer, the taxpayer's assigns, or legal representative as provided in this Chapter;

(E) Exercise the authority provided by this Chapter relative to consenting to the compromise and settlement of tax claims;

(F) Exercise the authority provided by this Chapter relative to the use of alternative apportionment methods by taxpayers in accordance with section 184.06;

(G) Make all tax findings, determinations, computations, and orders the tax administrator is authorized and required to make and, pursuant to time limitations provided by this Chapter, on the tax administrator's own motion, review, redetermine, or correct any tax findings, determinations, computations, or orders the tax administrator has made, but the tax administrator shall not review, redetermine, or correct any tax finding, determination, computation, or order which the tax administrator has made as to which an appeal has been filed with the local board of tax review or other appropriate tribunal, unless such appeal or application is withdrawn by the appellant or applicant, is dismissed, or is otherwise final;

(H) Destroy any or all returns or other tax documents in the manner authorized by law;

(I) Enter into an agreement with a taxpayer to simplify the withholding obligations described in section 184.07.

#### Sec. 184.22. Rounding Amounts

A person may round to the nearest whole dollar all amounts the person is required to enter on any return, report, voucher, or other document required under this Chapter. Any fractional part



of a dollar that equals or exceeds fifty cents shall be rounded to the next whole dollar, and any fractional part of a dollar that is less than fifty cents shall be dropped. If a person chooses to round amounts entered on a document, the person shall round all amounts entered on the document.

Sec. 184.23. Identifying Information

(A) Nothing in this Chapter prohibits the tax administrator from requiring any person filing a tax document with the tax administrator to provide identifying information, which may include the person's social security number, federal employer identification number, or other identification number requested by the tax administrator. A person required by the tax administrator to provide identifying information that has experienced any change with respect to that information shall notify the tax administrator of the change before, or upon, filing the next tax document requiring the identifying information.

(B) When transmitting or otherwise making use of a tax document that contains a person's social security number, the tax administrator shall take all reasonable measures necessary to ensure that the number is not capable of being viewed by the general public, including, when necessary, masking the number so that it is not readily discernible by the general public. The tax administrator shall not put a person's social security number on the outside of any material mailed to the person.

(C)(1) If the tax administrator makes a request for identifying information and the tax administrator does not receive valid identifying information within thirty days of making the request, nothing in this Chapter prohibits the tax administrator from imposing a penalty upon the person to whom the request was directed pursuant to section 184.24, in addition to any applicable penalty described in section 184.99.

(2) If a person required by the tax administrator to provide identifying information does not notify the tax administrator of a change with respect to that information as required under division (A) of this section within thirty days after filing the next tax document requiring such identifying information, nothing in this Chapter prohibits the tax administrator from imposing a penalty pursuant to section 184.24.

(D) The penalties provided for under divisions (C)(1) and (2) of this section may be billed and imposed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in section 184.99 for a violation of section 184.27 and any other penalties that may be imposed by the tax administrator under this Chapter

Sec. 184.24. Penalties and Interest

(A) As used in this section:

(1) "Applicable law" means this Chapter, the resolutions, ordinances, codes, directives, instructions, and rules adopted by a municipal corporation provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax.

(2) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding tax imposed by a municipal corporation pursuant to applicable law, including at any time before January 1, 2016.

(3) "Return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with a tax administrator or municipal corporation by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before January 1, 2016.

(4) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.

(5) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(4) of this section.

(6) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law.

(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law.

(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law.

(9) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages.

(B)(1) This section applies to the following:

(a) Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2016;

(b) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation on or after January 1, 2016.

(2) This section does not apply to returns required to be filed or payments required to be made before January 1, 2016, regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2016, but filed or paid after that date shall be subject to the ordinances or rules, as adopted before January 1, 2016, of the City.

(C) Interest shall be imposed at the rate described in division (A) of this section, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax.

(D) Penalties shall be imposed as follows:

(1) With respect to unpaid income tax and unpaid estimated income tax, a penalty equal to fifteen per cent of the amount not timely paid.

(2) With respect to any unpaid withholding tax, a penalty equal to fifty per cent of the amount not timely paid.

(3) With respect to returns other than estimated income tax returns, a penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed one hundred fifty dollars for each failure.

(E) Upon the recommendation of the tax administrator, the local board of tax review may, in its sole discretion, abate in whole or in part the penalties or interest imposed under this section. Such decision by the local board of tax review shall not be subject to appeal.

(F) By the thirty-first day of October of each year the City shall publish the rate described in division (A) of this section applicable to the next succeeding calendar year.

(G) The City may impose on the taxpayer, employer, any agent of the employer, or any other payer the City's post-judgment collection costs and fees, including third party collector and attorney's fees.

(H) The City may impose on any taxpayer, employer, agent of the employer, or any other payer that wishes to pay any amount owed to the City under this Chapter by credit card, a uniform convenience fee for the opportunity of doing so. The amount of the fee shall be determined from time to time by the Administrator.

(I) Whenever a taxpayer tenders a check in payment of any amount due under this Chapter, or any portion that is due, which check is subsequently dishonored for any reason, and such taxpayer either fails, upon notice from the tax administrator, to discharge by payment or satisfaction within ten days after receipt of the notice, or has previously presented a check for payment of any amount owed under this chapter which was subsequently dishonored, the tax administrator shall charge the taxpayer a fee of twenty-five dollars (\$25.00).

(J) Any amount authorized by this section shall be collected by assessment in the same manner as the tax authorized by this Chapter.

Sec. 184.25. Claims Resolution

(A) As used in this section, "claim" means a claim for an amount payable to the City that arises pursuant to this Chapter.

(B) The tax administrator may, in the tax administrator's sole discretion, extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments.

(C) The tax administrator may consider the following standards when ascertaining with respect to a claim whether a payment-over-time agreement is in the best interests of the municipal corporation:

(1) There exists a doubt as to whether the claim can be collected.

(2) There exists an economic hardship such that an agreement would facilitate effective tax administration.

(3) Any other reasonable standard that the tax administrator establishes.

(D) The tax administrator's rejection of a payment-over-time agreement proposed by a person with respect to a claim shall not be appealable.

(E) A payment-over-time agreement with respect to a claim shall be binding upon and shall inure to the benefit of only the parties to the agreement, and shall not extinguish or otherwise affect the liability of any other person.

(F) A payment-over-time agreement with respect to a claim shall be void if the taxpayer defaults under the agreement or if the agreement was obtained by fraud or by misrepresentation of a material fact. Any amount that was due before the agreement and that is unpaid shall remain due, and any penalties or interest that would have accrued in the absence of the agreement shall continue to accrue and be due.

#### Sec. 184.26. Rules

The tax administrator may adopt rules to administer the provisions of this Chapter. Such rules shall not conflict with or be inconsistent with any provision of this Chapter. All rules adopted under this section shall be approved by the local board of tax review and shall be published and posted on the internet as described in section 718.07 of the Revised Code.

#### Sec. 184.27. Fraudulent Claims

No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by municipal corporation ordinance or state law to be filed with a tax administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such change, alteration, or amendment of the records upon which such report, return, schedule, statement, claim, or document is based with intent to defraud the municipal corporation or a tax administrator.

#### Sec. 184.28. Audits

(A) At or before the commencement of an audit, the tax administrator shall provide to the taxpayer a written description of the roles of the tax administrator and of the taxpayer during an audit and a statement of the taxpayer's rights, including any right to obtain a refund of an overpayment of a tax. At or before the commencement of an audit, the tax administrator shall inform the taxpayer when the audit is considered to have commenced.

(B) Except in cases involving suspected criminal activity, the tax administrator shall conduct an audit of a taxpayer during regular business hours and after providing reasonable notice to the taxpayer. A taxpayer who is unable to comply with a proposed time for an audit on the grounds that the proposed time would cause inconvenience or hardship must offer reasonable alternative dates for the audit.

(C)(1) At all stages of an audit by the tax administrator, a taxpayer is entitled to be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner. The tax administrator shall prescribe a form by which a taxpayer may designate such a person to assist or represent the taxpayer in the conduct of any proceedings resulting from actions by the tax administrator. If a taxpayer has not submitted such a form, the tax administrator may accept other

evidence, as the tax administrator considers appropriate, that a person is the authorized representative of a taxpayer.

(2) A taxpayer may refuse to answer any questions asked by the person conducting an audit until the taxpayer has an opportunity to consult with the taxpayer's attorney, accountant, bookkeeper, or other tax practitioner. This division does not authorize the practice of law by a person who is not an attorney.

(D) A taxpayer may record, electronically or otherwise, the audit examination.

(E) The failure of the tax administrator to comply with a provision of this section shall neither excuse a taxpayer from payment of any taxes owed by the taxpayer nor cure any procedural defect in a taxpayer's case.

(F) If the tax administrator fails to substantially comply with the provisions of this section, the tax administrator, upon application by the taxpayer, shall excuse the taxpayer from penalties and interest arising from the audit.

#### Sec. 184.29. Action for Damages

(A) A taxpayer aggrieved by an action or omission of the tax administrator, the tax administrator's employee, or an employee of the City may bring an action against the tax administrator, against the City, or against both, for damages in the court of common pleas of the county in which the City is located, if all of the following apply:

(1) In the action or omission the tax administrator, the tax administrator's employee, or the employee of the City frivolously disregards a provision of this Chapter or a rule or instruction of the tax administrator;

(2) The action or omission occurred with respect to an audit or an assessment and the review and collection proceedings connected with the audit or assessment;

(3) The tax administrator, the tax administrator's employee, or the employee of the City did not act manifestly outside the scope of employment and did not act with malicious purpose, in bad faith, or in a wanton or reckless manner.

(B) In any action brought under division (A) of this section, upon a finding of liability on the part of the tax administrator or the City, the tax administrator or the City shall be liable to the taxpayer in an amount equal to the sum of the following:

(1) Compensatory damages sustained by the taxpayer as a result of the action or omission by the tax administrator, the tax administrator's employee, or the employee of the City;

(2) Reasonable costs of litigation and attorneys' fees sustained by the taxpayer.

(C) In the awarding of damages under division (B) of this section, the court shall take into account the negligent actions or omissions, if any, on the part of the taxpayer that contributed to the damages, but shall not be bound by the provisions of sections 2315.32 to 2315.36 of the Revised Code.

(D) Whenever it appears to the court that a taxpayer's conduct in the proceedings brought under division (A) of this section is frivolous, the court may impose a penalty against the taxpayer in an amount not to exceed ten thousand dollars which shall be paid to the general fund of the City.

(E) Division (A) of this section does not apply to opinions of the tax administrator or other information functions of the tax administrator.

(F) As used in this section, "frivolous" means that the conduct of the tax administrator, an employee of the city or the tax administrator, the taxpayer, or the taxpayer's counsel of record satisfies either of the following:

(1) It obviously serves merely to harass or maliciously injure the tax administrator, the City, or employees thereof if referring to the conduct of a taxpayer or the taxpayer's counsel of record, or to harass or maliciously injure the taxpayer if referring to the conduct of the tax administrator, the City, or employees thereof;

(2) It is not warranted under existing law and cannot be supported by a good faith argument for an extension, modification, or reversal of existing law.

#### Sec. 184.30. Opinions of the Tax Administrator

(A) An "opinion of the tax administrator" means an opinion issued under this section with respect to prospective municipal income tax liability. It does not include ordinary correspondence of the tax administrator.

(B) A taxpayer may submit a written request for an opinion of the tax administrator as to whether or how certain income, source of income, or a certain activity or transaction will be taxed. The written response of the tax administrator shall be an "opinion of the tax administrator" and shall bind the tax administrator, in accordance with divisions (C), (G), and (H) of this section, provided all of the following conditions are satisfied:

(1) The taxpayer's request fully and accurately describes the specific facts or circumstances relevant to a determination of the taxability of the income, source of income, activity, or

transaction, and, if an activity or transaction, all parties involved in the activity or transaction are clearly identified by name, location, or other pertinent facts.

(2) The request relates to a tax imposed by the municipal corporation in accordance with this Chapter.

(3) The tax administrator's response is signed by the tax administrator and designated as an "opinion of the tax administrator."

(C) An opinion of the tax administrator shall remain in effect and shall protect the taxpayer for whom the opinion was prepared and who reasonably relies on it from liability for any taxes, penalty, or interest otherwise chargeable on the activity or transaction specifically held by the tax administrator's opinion to be taxable in a particular manner or not to be subject to taxation for any taxable years that may be specified in the opinion, or until the earliest of the following dates:

(1) The effective date of a written revocation by the tax administrator sent to the taxpayer by certified mail, return receipt requested. The effective date of the revocation shall be the taxpayer's date of receipt or one year after the issuance of the opinion, whichever is later;

(2) The effective date of any amendment or enactment of a relevant section of the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance that would substantially change the analysis and conclusion of the opinion of the tax administrator;

(3) The date on which a court issues an opinion establishing or changing relevant case law with respect to the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance;

(4) If the opinion of the tax administrator was based on the interpretation of federal law, the effective date of any change in the relevant federal statutes or regulations, or the date on which a court issues an opinion establishing or changing relevant case law with respect to federal statutes or regulations;

(5) The effective date of any change in the taxpayer's material facts or circumstances;

(6) The effective date of the expiration of the opinion, if specified in the opinion.

(D) A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts.

(E) If a tax administrator provides written advice under this section, the opinion shall include a statement that:



(1) The tax consequences stated in the opinion may be subject to change for any of the reasons stated in division (C) of this section;

(2) It is the duty of the taxpayer to be aware of such changes.

(F) A tax administrator may refuse to offer an opinion on any request received under this section.

(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 2016.

(H) An opinion of a tax administrator binds that tax administrator only with respect to the taxpayer for whom the opinion was prepared and does not bind the tax administrator of any other municipal corporation.

(I) The tax administrator shall make available the text of all opinions issued under this section, except those opinions prepared for a taxpayer who has requested that the text of the opinion remain confidential. In no event shall the text of an opinion be made available until the tax administrator has removed all information that identifies the taxpayer and any other parties involved in the activity or transaction.

(J) An opinion of the tax administrator issued, or the decision not to issue an opinion, under this section may not be appealed.

#### Sec. 184.31. Contact Information

All written correspondence from the tax administrator to a taxpayer or other person shall include the name and contact information of an individual designated to receive inquiries regarding the correspondence.

#### Sec. 184.32. Amended Returns

(A) A taxpayer shall file an amended return with the tax administrator in such form as the tax administrator requires if any of the facts, figures, computations, or attachments required in the taxpayer's annual return to determine the tax due levied by the City be altered as the result of an adjustment to the taxpayer's federal income tax return, whether initiated by the taxpayer or the internal revenue service, and such alteration affects the taxpayer's tax liability under this Chapter. If a taxpayer intends to file an amended consolidated municipal income tax return, or to amend its type of return from a separate return to a consolidated return, based on the taxpayer's consolidated federal income tax return, the taxpayer shall notify the tax administrator before filing the amended return.

(B)(1) In the case of an underpayment, the amended return shall be accompanied by payment of any combined additional tax due together with any penalty and interest thereon. If the combined tax shown to be due is ten dollars or less, such amount need not accompany the amended return. Except as provided under division (B)(2) of this section, the amended return shall not reopen those facts, figures, computations, or attachments from a previously filed return that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless the applicable statute of limitations for civil actions or prosecutions under section 184.15 has not expired for a previously filed return.

(2) The additional tax to be paid shall not exceed the amount of tax that would be due if all facts, figures, computations, and attachments were reopened.

(C)(1) In the case of an overpayment, a request for refund may be filed under this division within the period prescribed by division (E) of section 184.15 for filing the amended return even if it is filed beyond the period prescribed in that division if it otherwise conforms to the requirements of that division. If the amount of the refund is ten dollars or less, no refund need be paid by the municipal corporation to the taxpayer. Except as set forth in division (C)(2) of this section, a request filed under this division shall claim refund of overpayments resulting from alterations to only those facts, figures, computations, or attachments required in the taxpayer's annual return that are affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless it is also filed within the time prescribed in section 184.19. Except as set forth in division (C)(2) of this section, the request shall not reopen those facts, figures, computations, or attachments that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return.

(2) The amount to be refunded shall not exceed the amount of refund that would be due if all facts, figures, computations, and attachments were reopened.

#### Sec. 184.34 Credit for Tax Paid to Another Municipal Corporation

(A) A resident of the city who is required to and does pay, or acknowledges liability for, a municipal income tax to another municipal corporation upon the same income taxable under the provisions of this Chapter, may claim a credit up to the entire first one percent of taxable income paid by the resident or on behalf of the resident to such other municipal corporation as tax. In no event shall such credit exceed one percent of such taxable income.

(B) A claim for the credit provided by this section shall be made in such manner as the Administrator may require by regulation or policy.

(C) Such credit shall become effective for any and all income taxable by the City of Parma which is earned or received on or after April 1, 2002.

(D) Any adjustments to the municipal income tax credit rate set forth in this section shall first be submitted to the electors of the City for approval.

(E) As approved by the electors on May 2, 2006, effective January 1, 2007, the municipal income tax credit provided in this section on all income taxable by the City of Parma which is earned or received on or after January 1, 2007, shall be increased to the entire first 2 percent of taxable income paid to another municipal corporation. In no event shall any credit claimed pursuant to this section exceed 2 percent of such taxable income.

#### Sec. 184.35 Failure to Procure Forms Not An Excuse

The failure of any employer, taxpayer or other person to receive or procure a return, declaration, or other required form shall not excuse the employer, taxpayer, or person from making any information return, return or declaration, from filing any form or from paying any tax due.

#### Sec. 184. 36 Disbursement of Funds Collected

The funds collected under this Chapter shall be disbursed as provided in this this section.

(A) The first one-half percent portion of the annual tax imposed by this Chapter shall be designated and expended exclusively as follows:

(1) Not less than sixty percent for capital improvements and/or for road and sewer maintenance and/or repair; and

(2) The balance for increase and maintenance of the police and fire personnel and for such other municipal purposes as may be determined by Council.

(B) The second one-half percent portion of the annual tax imposed by this Chapter shall be designated and expended exclusively as follows:

(1) Not less than twenty-five percent for capital improvements and/or for road and sewer maintenance and/or repair; and

(2) The balance remaining after payment of the foregoing for general municipal purposes.

(C) The balance remaining after payment of the allocation referred to in subsections (A) and (B) hereof shall be deposited in the City's general fund for general municipal purposes.

(D) Any adjustments to the municipal income tax credit rate set forth in this section shall first be submitted to the electors of the City of Parma for approval.

#### Sec. 184.37 Authority to Contract for Central Collection Facilities

The Administrator may be and he is hereby authorized to enter into an agreement on behalf of the City with any other municipal corporation for the purpose of administering the income tax laws of such other municipal corporation as its agent and of providing a central collection facility for the collection of the income tax on behalf of such other municipal corporation.

#### Sec. 184.38 Severability

(A) It is the intention of the City that the provisions of this Chapter be interpreted and applied as follows:

(1) In such a manner as to exercise the broadest authority possible under Chapter 718. of the Revised Code; and

(2) In the case of any doubt or ambiguity, in such a manner as is consistent with the provisions of Chapter 718 of the Revised Code.

(B) If any sentence, clause, section or part of this Chapter or any tax against any individual or any of the several groups specified herein is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this Chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this Chapter. It is declared to be the intention of Council that this Chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

#### Sec. 184.70 Collection of Tax After Termination of Chapter

(A) This Chapter shall continue effective insofar as the imposition of taxes is concerned until repealed, and insofar as the collection of taxes imposed by this Chapter and actions and proceedings for collecting any tax so imposed or enforcing any provisions of this Chapter are concerned, it shall continue effective until all such taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this Chapter have been fully terminated, subject to any limitations provided in this Chapter.

(B) Annual returns due for all or any part of the last effective year of this Chapter shall be due on the dates provided in this Chapter as though the Chapter were continuing.

Sec. 184.75. Reporting Tenant Residency

(A) All owners of rented or leased residential premises shall file with the Division of Taxation of the City a report showing the name and address of each tenant who occupies the residential premises in the City. Thereafter, quarterly reports shall be made as to the name and address of each tenant for the three- month periods ending September 30, December 31, March 30 and June 30 in every calendar year. Such report shall be filed within thirty days after the quarterly period it represents.

(B) As used in this section, "tenant" means:

(1) If there is a written lease or rental agreement, the person who signs the written lease or rental agreement with the owner; or

(2) If there is an oral lease or rental agreement, the person with whom the owner enters into the oral lease or rental agreement.

Sec. 184.99. Penalties

In addition to any other penalty that may be imposed pursuant to this Chapter:

(A) Except as provided in division (B) of this section, whoever violates section 184.27, division (A) of section 184.17, or section 184.07 by failing to remit municipal income taxes deducted and withheld from an employee, shall be guilty of a misdemeanor of the first degree and shall be subject to a fine of not more than one thousand dollars or imprisonment for a term of up to six months, or both.

In addition, any employee of the City who violates section 184.17 relative to the disclosure of any confidential information shall be guilty of an offense punishable by immediate dismissal.

(B) Any person who discloses information received from the Internal Revenue Service in violation of division (A) of section 184.17 shall be guilty of a felony of the fifth degree and shall be subject to a fine of not more than five thousand dollars plus the costs of prosecution, or imprisonment for a term not exceeding five years, or both.

(C) Each instance of access or disclosure in violation of division (A) of section 184.17 constitutes a separate offense.

(D) Whoever refuses to comply with any request of the tax administrator made pursuant to this Chapter within the time specified in the request shall be subject to a penalty equal to \$50 for the first offense, \$100 for the second offense, and \$150 for a third or subsequent offense.

(E) Whoever violates section 184.75 shall be subject to a penalty of not more than \$25 for the first offense, not more than \$50 for the second offense, and not more than \$100 for a third or subsequent offense.

(F) Any amount imposed under divisions (D) or (E) of this section shall be collected by the tax administrator as an amount arising under this Chapter.