

Additions are indicated by **Text**

Deletions are indicated by ~~Text~~

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 Ohio R.C. Title LVII, 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 Ohio R.C. Title LVII 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 Ohio R.C. Title LVII.

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 carry-forward 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 carry-forward 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 carry-forward 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:

1. 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;

2. 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 Ohio R.C. 3501.28 or 3501.36 to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars (\$1,000) for the taxable year. Such compensation in excess of one thousand dollars (\$1,000) for the taxable year is subject to taxation, provided that the payer of such compensation shall not be required to withhold 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 Ohio R.C. 5727.24 or 5727.30. Division (c)(9) of this section does not apply for purposes of Ohio R.C. Chapter 5745;

(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 18 years of age;

(16) A. Except as provided in divisions (c)(16)B., C., and D. of this section, qualifying wages described in Section 184.04 (b)(1) or (e) 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 section 184.04(d)(2);

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:

1. For qualifying wages described in Section 184.04(b)(1), 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 Section 184.04(e), 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

2. The employee receives a refund of the tax described in division (c)(16)D.1. 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 20 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:

1. The individual's base of operation is located in the City.

2. 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.2 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 Ohio R.C. 709.023 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 5% 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 Ohio R.C. 4313.02;

(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. 1. 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 50% of the amount of the deduction otherwise allowed by division (e)(8)A. of this section.

2. 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 **without regard to the limitation of division (e)(8)(C)(1).**

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.1. and 2. 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.1. and 2. 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 Section 184.12(e)(3)B.

(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 Section 184.12(E)(3)B.

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 Ohio R.C. 5747.01. 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:

1. The limited liability company's single member is also a limited liability company.

2. 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.

3. 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.

4. 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.

5. 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.5. 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 (\$400,000).

(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 Subchapter 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 Ohio R.C. Chapter 1705 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:

1. For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for Federal income tax purposes;

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

3. For no succeeding taxable year will the amount constitute wages; and

4. 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 Ohio R.C. Chapter 5701, 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 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.

(a) "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 Subchapter 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 Ohio R.C. 125.30, 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 Ohio R.C. 3772.01.

(hh) "Video lottery terminal" has the same meaning as in Ohio R.C. 3770.21.

(ii) "Video lottery terminal sales agent" means a lottery sales agent licensed under Ohio R.C. Chapter 3770 to conduct video lottery terminals on behalf of the state pursuant to Ohio R.C. 3770.21.

(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 Ohio R.C. 5703.056.

(ll) "Authorized delivery service" includes any delivery service authorized pursuant to Ohio R.C. 5703.056.

(mm) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in Ohio R.C. 5703.056(B)(3).

(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 percent" 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 50% 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 50% 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 50% 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 Section 184.19(b)(3), 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 Ohio R.C. 5717.011 and 5717.03 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 carry-forward" 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 (\$500,000) 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.

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 Ohio R.C. Chapter 5745

(a) Except as otherwise provided in **section 184.061 of this chapter and** 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 Section 184.15(a).

(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 Section 184.15(a).

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, **and except as provided in section 184.061 of this chapter,** 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 only if, regardless of where title passes, the property meets either 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.

(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 Ohio R.C. 718.01(C)(12) and (R)(1)(d) 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.

184.061 ALTERNATIVE NET PROFITS APPORTIONMENT FOR REMOTE EMPLOYEES.

(a) As used in this section:

(1) "Qualifying remote employee or owner" means an individual who is an employee of a taxpayer or who is a partner or member holding an ownership interest in a taxpayer that is treated as a partnership for federal income tax purposes, provided that the individual meets both of the following criteria:

A. The taxpayer has assigned the individual to a qualifying reporting location.

B. The individual is permitted or required to perform services for the taxpayer at a qualifying remote work location.

(2) "Qualifying remote work location" means a permanent or temporary location at which an employee or owner chooses or is required to perform services for the taxpayer, other than a reporting location of the taxpayer or any other location owned or controlled by a customer or client of the taxpayer. "Qualifying remote work location" may include the residence of an employee or

owner and may be located outside of the City. An employee or owner may have more than one qualifying remote work location during a taxable year.

(3) "Reporting location" means either of the following:

A. A permanent or temporary place of doing business, such as an office, warehouse, storefront, construction site, or similar location, that is owned or controlled directly or indirectly by the taxpayer;

B. Any location in this state owned or controlled by a customer or client of the taxpayer, provided that the taxpayer is required to withhold taxes under section 184.07 of this chapter on qualifying wages paid to an employee for the performance of personal services at that location.

(4) "Qualifying reporting location" means one of the following:

A. The reporting location in this state at which an employee or owner performs services for the taxpayer on a regular or periodic basis during the taxable year;

B. If no reporting location exists in this state for an employee or owner under division (a)(4)(A) of this section, the reporting location in this state at which the employee's or owner's supervisor regularly or periodically reports during the taxable year;

(c) If no reporting location exists in this state for an employee or owner under division (a)(4)(A) or (B) of this section, the location that the taxpayer otherwise assigns as the employee's or owner's qualifying reporting location, provided the assignment is made in good faith and is recorded and maintained in the taxpayer's business records. A taxpayer may change the qualifying reporting location designated for an employee or owner under this division at any time.

(b) A taxpayer may elect to apply the provisions of this section to the apportionment of its net profit from a business or profession. For taxpayers that make this election, the provisions of section 184.06 of this chapter apply to such apportionment except as otherwise provided in this section.

A taxpayer shall make the election allowed under this section in writing on or with the taxpayer's net profit return or, if applicable, a timely filed amended net profit return or a timely filed appeal of an assessment. The election applies to the taxable year for which that return or appeal is filed and for all subsequent taxable years, until the taxpayer revokes the election.

The taxpayer shall make the initial election with the Tax Administrator after applying the apportionment provisions authorized in this section. A taxpayer shall not be required to notify the Tax Administrator unless the taxpayer is otherwise required to file a net profit return with the City due to business operations that are unrelated to the employee's or owner's activity at the qualifying remote work location.

After the taxpayer makes the initial election, the election applies to every municipal corporation in which the taxpayer conducts business. The taxpayer shall not be required to file a net profit return with the City solely because a qualifying remote employee's or owner's qualifying remote work location is located in the City.

Nothing in this section prohibits a taxpayer from making a new election under this section after properly revoking a prior election.

(c) For the purpose of calculating the ratios described in division (a) of section 184.06 of this chapter, all of the following apply to a taxpayer that has made the election described in division (b) of this section:

(1) For the purpose of division (a)(1) of section 184.06 of this chapter, the average original cost of any tangible personal property used by a qualifying remote employee or owner at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.

(2) For the purpose of division (a)(2) of section 184.06 of this chapter, any wages, salaries, and other compensation paid during the taxable period to a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.

(3) For the purpose of division (a)(3) of section 184.06 of this chapter, and notwithstanding division (d) of that section, any gross receipts of the business or profession from services performed during the taxable period by a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.

(d) Nothing in this section prevents a taxpayer from requesting, or the Tax Administrator from requiring, that the taxpayer use, with respect to all or a portion of the income of the taxpayer, an alternative apportionment method as described in division (b) of section 184.06 of this chapter. However, the Tax Administrator shall not require an alternative apportionment method in such a manner that it would require a taxpayer to file a net profit return with the City solely because a qualifying remote employee's or owner's qualifying remote work location is located in the City.

(e) Except as otherwise provided in this section, nothing in this section is intended to affect the withholding of taxes on qualifying wages pursuant to sections 184.04 and 184.07 of this chapter.

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 the 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 Ohio R.C. 5747.08(G). 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 (\$10.00) or less.

(2) **(A)** 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 **for a taxpayer that is an individual** shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates. **The extended due date of the municipal income tax return for a taxpayer that is not an individual shall be the fifteenth day of the eleventh month after the last day of the taxable year to which the return relates.**

(B) A taxpayer that has not requested or received a six-month extension for filing the taxpayer's federal income tax return may request that the Tax Administrator grant the taxpayer a six-month extension of the date for filing the taxpayer's municipal income tax return. If the request is received by the Tax Administrator on or before the date the municipal income tax return is due, the Tax Administrator shall grant the taxpayer's requested extension.

(C) 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 Ohio R.C. 5747.08(G), 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) If a taxpayer receives an extension for the filing of a municipal income tax return under division (d)(2), (3), or (4) of this section, the Tax Administrator shall not make any inquiry or send any notice to the taxpayer with regard to the return on or before the date the taxpayer files the return or on or before the extended due date to file the return, whichever occurs first.

If the Tax Administrator violates division (d)(5) of this section, the City shall reimburse the taxpayer for any reasonable costs incurred to respond to such inquiry or notice, up to one hundred fifty dollars (\$150.00).

Division (d)(5) of this section does not apply to an extension received under division (d)(2) of this section if the Tax Administrator has actual knowledge that the taxpayer failed to file for a federal extension as required to receive the extension under division (d)(2)(A) of this section or failed to file for an extension under division (d)(2)(B) of this section.

(6) 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 (\$10.00).

(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) (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 under this chapter is made by electronic funds transfer, the payment shall be considered to be made on the date of the timestamp assigned by the first electronic system receiving that 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.

184.24 FEES AND STOP-PAYMENT FEES.

(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 percent, plus 5%. 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 15% of the amount not timely paid.

(2) With respect to any unpaid withholding tax, a penalty equal to 50% of the amount not timely paid.

(3) With respect to returns other than estimated income tax returns, a penalty of **not exceeding** twenty-five dollars (\$25.00) 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 (\$150.00) for each failure,~~ **except that the City shall abate or refund the penalty assessed on a taxpayer's first failure to timely file a return after the taxpayer files that return.**

(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) Whenever a stop-payment fee or any other type of bank fee is tendered to the City on behalf of a taxpayer, the Treasurer shall charge the taxpayer the full amount of the fee.

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