



Ohio Revised Code

Section 718.04 Authority for tax on income and withholding tax.

Effective: March 23, 2015

Legislation: House Bill 5 - 130th General Assembly

(A) Notwithstanding division (A) of section 715.013 of the Revised Code, a municipal corporation may levy a tax on income and a withholding tax if such taxes are levied in accordance with the provisions and limitations specified in this chapter. On or after January 1, 2016, the ordinance or resolution levying such taxes, as adopted or amended by the legislative authority of the municipal corporation, shall include all of the following:

- (1) A statement that the tax is an annual tax levied on the income of every person residing in or earning or receiving income in the municipal corporation and that the tax shall be measured by municipal taxable income;
- (2) A statement that the municipal corporation is levying the tax in accordance with the limitations specified in this chapter and that the resolution or ordinance thereby incorporates the provisions of this chapter;
- (3) The rate of the tax;
- (4) Whether, and the extent to which, a credit, as described in division (D) of this section, will be allowed against the tax;
- (5) The purpose or purposes of the tax;
- (6) Any other provision necessary for the administration of the tax, provided that the provision does not conflict with any provision of this chapter.

(B) Any municipal corporation that, on or before the effective date of the enactment of this section, levies an income tax at a rate in excess of one per cent may continue to levy the tax at the rate specified in the original ordinance or resolution, provided that such rate continues in effect as specified in the original ordinance or resolution.



(C)(1) No municipal corporation shall tax income at other than a uniform rate.

(2) Except as provided in division (B) of this section, no municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a general, primary, or special election. The legislative authority of the municipal corporation shall file with the board of elections at least ninety days before the day of the election a copy of the ordinance together with a resolution specifying the date the election is to be held and directing the board of elections to conduct the election. The ballot shall be in the following form: "Shall the Ordinance providing for a ... per cent levy on income for (Brief description of the purpose of the proposed levy) be passed?"

| FOR THE INCOME TAX

| AGAINST THE INCOME TAX

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In the event of an affirmative vote, the proceeds of the levy may be used only for the specified purpose.

(D) A municipal corporation may, by ordinance or resolution, grant a credit to residents of the municipal corporation for all or a portion of the taxes paid to any municipal corporation, in this state or elsewhere, by the resident or by a pass-through entity owned, directly or indirectly, by a resident, on the resident's distributive or proportionate share of the income of the pass-through entity. A municipal corporation is not required to refund taxes not paid to the municipal corporation.

(E) Except as otherwise provided in this chapter, a municipal corporation that levies an income tax in effect for taxable years beginning before January 1, 2016, may continue to administer and enforce the provisions of such tax for all taxable years beginning before January 1, 2016, provided that the provisions of such tax are consistent with this chapter as it existed prior to the effective date of the enactment of this section.



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(F) Nothing in this chapter authorizes a municipal corporation to levy a tax on income, or to administer or collect such a tax or penalties or interest related to such a tax, contrary to the provisions and limitations specified in this chapter. No municipal corporation shall enforce an ordinance or resolution that conflicts with the provisions of this chapter.