



City of Hudson, Ohio

Staff Report With Text

File #: 18-45 **Version:** 1 **Name:**

Type: Ordinance **Status:** Passed

File created: 3/14/2018 **In control:** City Council

On agenda: 3/20/2018 **Final action:** 3/20/2018

Title: AN ORDINANCE AMENDING SECTIONS 891.03 AND 891.05 AND ADDING SECTION 891.27 OF THE CITY'S EARNED INCOME TAX REGULATIONS IN THE TAXATION CODE OF THE CODIFIED ORDINANCES OF THE CITY OF HUDSON; AND DECLARING AN EMERGENCY.
Executive Summary: This ordinance amends our income tax code to include language related to the administration of the net profit tax by the State of Ohio and language related to the elimination of the sales throwback rule.

Sponsors: David A. Basil

Indexes: Finance - General

Code sections:

Attachments: 1. Ordinance No. 18-45

Date	Ver.	Action By	Action	Result
3/20/2018	1	City Council	approved on the consent agenda	Pass

AN ORDINANCE AMENDING SECTIONS 891.03 AND 891.05 AND ADDING SECTION 891.27 OF THE CITY'S EARNED INCOME TAX REGULATIONS IN THE TAXATION CODE OF THE CODIFIED ORDINANCES OF THE CITY OF HUDSON; AND DECLARING AN EMERGENCY.

Executive Summary: This ordinance amends our income tax code to include language related to the administration of the net profit tax by the State of Ohio and language related to the elimination of the sales throwback rule.

Legislative History

Ordinance 18-3 amended our income tax code for language required to be adopted as a result of Ohio House Bill 49.

Purpose & Explanation

The purpose of this amendment is to include language which allows businesses to opt-in to the Ohio Business Gateway to file its Net Profit Return for processing by the Ohio Department of Taxation.

Additionally, we are amending our income tax code to include language that eliminates the throwback rule. This rule eliminates gross receipts from the sale of tangible personal property to locations outside of the City. Previously, these types of sales were taxable unless the municipality where the goods were shipped had employees that regularly engaged in the solicitation or promotion of sales at the place where delivery was made.

Please Note: We included a "Whereas" clause in the Ordinance to include language stating by passage of this Ordinance, the City does not waive its rights to challenge Ohio House Bill 49. This language was added because litigation challenging these provisions is still pending with an appeal of the Franklin County ruling to

the 10th District Court of Appeals as well as a case filed by the City of Toledo.

Timing Considerations

These changes went into effect for tax year 2018. We recommend immediate passage of this ordinance.

Fiscal Impact

Currently Budgeted
Supplemental Appropriation Required
☒ Appropriation Not Required.

Suggested Action

Staff recommends passage of the Ordinance.

Submitted by,

Jane Howington, City Manager

Jeff Knoblauch, Asst City Manager/Finance