

RESOLUTION NO. 2, 2017

THE VILLAGE OF ST. BERNARD STRONGLY OPPOSING THE PASSAGE OF THE GOVERNOR'S BUDGET BILL, HB 49, WHICH PROPOSES CENTRALIZED COLLECTION OF NET-PROFIT MUNICIPAL INCOME TAX AND THE PROPOSED THROWBACK RULE IN THE FY 18-19 BUDGET WHICH WOULD RESULT IN LOSS OF REVENUE AND RESTRICTIONS AND REDUCTIONS IN THE ABILITY TO ENFORCE THE TAX CODE AND DECLARING AN EMERGENCY.

WHEREAS, the budget, HB49, would centralize the collection of municipal income tax for net-profits, and

WHEREAS, the budget would impose a 1% administrative fee to collect these monies, and make quarterly disbursements of the funds to each municipality, and

WHEREAS, the budget would not allow the Village to audit the returns or determine the allocations to insure fair and equitable collection of taxes obligated to the Village, and

WHEREAS, municipal income tax would be required to be submitted through the Ohio Business Gateway (OBG), and

WHEREAS, this budget is perceived as the first step in the long term complete centralization of municipal income tax collection and removal of local control and oversight of the municipal tax collection procedure; now therefore

BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF ST. BERNARD, HAMILTON COUNTY, OHIO:

Section 1. The Village Council of St. Bernard hereby expresses its strong opposition to the passage of the governor's budget bill, HB 49, centralizing the collection of net-profit taxes on businesses within the jurisdiction and village limits of St. Bernard.

Section 2. The Village of St. Bernard is dependent on these municipal income taxes to continue to provide needed services and safety measures to the residents and businesses within St. Bernard village limits. The administrative fee of 1% would cause an undue hardship on the city budget by resulting in the immediate loss of over \$35,000 in income for the village. There is no cost savings from the centralization of collection to offset this loss. This is a significant loss for a small municipality such as St. Bernard and would have significant impact on the village's ability to provide the level of services and safety the citizens rely on. Quarterly disbursements would disrupt the Village's liquidity and require it to more strictly monitor its financial transactions, while depriving the city of additional income from interest earned on deposits.

Section 3. The Village of St. Bernard opposes the loss of oversight the budget bill proposes by not allowing audit or review of returns and allocation formulas that determine municipal tax levels. The lack of high quality, localized review will have a significant detrimental effect on the Village's ability to insure each entity is contributing its fair share and neither underpaying, nor overpaying their tax obligations. Additionally, the Village of St. Bernard opposes the proposed procedure that any disputes or inquiries be directed to a centralized contact in Columbus instead of the local tax office. The tax office would have in-depth knowledge of the situation and be able to solve the question fairly and equitably. The tax office is local and available by phone, e-mail and online during regular business hours with local knowledge and ready

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access to records and information. Businesses have the option to come in to the office in person discuss any disputes or resolve any questions which may arise.

Section 4. The Village of St. Bernard opposes the mandated collection and submission of taxes through the Ohio Business Gateway (OBG). The ability to file municipal taxes is currently available to business who wish to utilize the service of OBG. Currently, only a small percentage have opted to use this option. There is no charge for this service, however, there continues to be on-going challenges in the efficient collection and payment through OBG that, if mandated for all businesses, would only magnify these challenges and be costly for both the Village and the businesses affected by this proposal. This system requires that dates, account numbers, submitted totals, etc. be correct for the payment to be posted. Any delays or input mistakes cause the posting to be rejected by the bank and imposes problems and increased costs for the Village and business involved.

Section 5. The members of the Ohio House and Senate should engage in constructive dialogue with local officials to gain an agreement on better methods of attracting business to the state, rather than unnecessarily centralizing municipal income tax collection.

Section 6. The Village of St. Bernard joins with countless cities and villages across the state in urgency and confidence to repudiate efforts to wrest control of municipal taxes from the local entity and weaken our right to home rule.

Section 7. This Council resolves to assert its rightful responsible authority over the care and custody of its own revenues.

Section 8. The Clerk of Council shall send a copy of this Resolution to Governor John Kasich, Lieutenant Governor Mary Taylor, the Clerks of both the Ohio House and Senate, Ohio Tax Commissioner Joe Testa, State Senator Cecil Thomas, State Representative Alicia Reece, and State Representative Brigid Kelly, to formally declare our opposition to the Budget Bill, HB49.

Section 9. This resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare, and for the further reason that the Village must maintain revenue levels and streams without threat of assault via legislation proposed by the Governor of Ohio; therefore, this Resolution shall be in full force and effect immediately upon its adoption by Council.

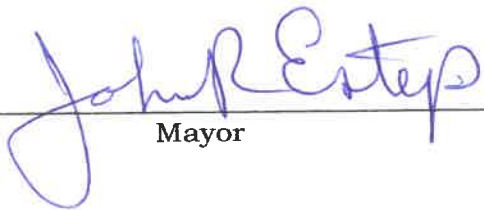
Passed this 16th day of March, 2017.


President of Council

ATTEST:


Clerk of Council

Approved this 16th day of March, 2017.



Mayor

I, M. SUE KATHMAN, CLERK OF COUNCIL, VILLAGE OF ST. BERNARD, STATE OF OHIO, DO HEREBY testify that the publication of Resolution No. 02, 2017, was made by posting true copies of the same in the most public places designated by Council: St. Bernard Square Bus Stop; Vine Street and Washington Avenue; Bertus Street Park; Greenlee Avenue and Johnson Alley; Park on Heger Drive; each for a period of fifteen (15) days or more commencing 3/16, 2017.

ATTEST:  DATE 3.16.17
Clerk of Council

Approved as to form  Date 3/16/17
Director of Law