

City of Oberlin, Ohio

RESOLUTION No. R11-12 CMS

A RESOLUTION INDICATING OPPOSITION TO THE STATE OF OHIO SEEKING TO TAKE CONTROL OF MUNICIPAL INCOME TAX COLLECTIONS AND DECLARING AN EMERGENCY

WHEREAS, during the recent discussions regarding the State Biennial Budget Bill it was suggested that the Ohio Department of Taxation take over the collection of municipal income taxes. While there is no current legislation pending that authorizes the State to take control of the collection of local income taxes, the state legislature is still considering such action; and

WHEREAS, local income tax is the largest source of revenue for nearly all local governments in the State, including the City of Oberlin, and any disruption or interference with the current collection process will be harmful to the financial operations of local governments and the core services provided to the residents of those communities; and

WHEREAS, the prospect of State control of local income tax collections presents numerous administrative difficulties including, but not limited to: how the State will administer local tax ordinances; how retention of and access to tax records will be handled; how the collection of delinquent taxes and tracking those persons not filing taxes will be handled; how the timing and frequency of distribution of collected revenues to local governments will be handled; how the reporting of tax collections to local governments will be handled; the impact State collection processes will have on the Attorney General's office in dealing with the legal proceedings related to the fair collection of local income taxes; and the impact of the present and future budget and staffing cuts in the Ohio Department of Taxation on that department's ability to undertake and properly perform such significant responsibilities; and

WHEREAS, Auditor of State Yost has recently written to Tax Commissioner Testa, regarding his concerns over the cost of such a proposal and cash flow issues; and

WHEREAS, the current process used for collecting school district income taxes does not allow districts to review taxpayer information to ensure taxpayers are paying their fair share, let alone paying at all. Payments to the schools are made on a quarterly basis, if local governments had to wait three months to receive income tax revenues, the lack of cash flows would result in severe financial hardships; and

WHEREAS, the lack of reporting would also seriously affect compliance with the City of Oberlin's Annexation/Revenue Sharing agreement with our neighboring

Page 2 - Resolution No. R11- 12 CMS

Township, our Economic Development Incentive Agreements, and any future agreements that would require detailed income tax data; and

WHEREAS, State control of local income taxes would infringe on the Home Rule Rights of local governments to self-govern as stated in Article 18.07 of the Constitution of the State of Ohio, and

WHEREAS, local governments have suffered greatly, and made necessary operational changes, including consolidating and sharing services, over the past several years as the nation's and state economies have, and continue to falter. In addition, the state legislature has eliminated the personal property tax, the state's continuous reductions in the long-standing shared revenue in the form of Local Government Funds, and the state's elimination of the estate taxes, ALL without providing any sustained revenues to offset the losses. Local governments cannot afford another potential loss in revenue, and administrative fees collected by the State would certainly cost more than the local governments' tax professionals or regional collections services. Currently local governments, or their designated regional collection services, handle the collection of local income taxes efficiently, effectively, and with the necessary "user friendly" services that only local officials can provide.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That this Council does hereby declare its strong opposition to any effort by the State of Ohio to take over the collection of local government municipal income taxes in Ohio, and urges the Governor, the Treasurer and the General Assembly to recognize the negative impact a State centralized income tax collection would have on local communities and the essential services that local governments provide to residents on a daily basis.

SECTION 2. That the Clerk of the City Council is hereby authorized and directed to forward a certified copy of this Resolution to the Clerk of the Ohio House of Representatives and request he forward a copy to each of the duly elected State Representatives and also forward a certified copy of this Resolution to the Clerk of the Ohio Senate and request he forward a copy to each of the duly elected State Senators.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this Resolution were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

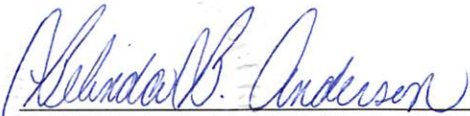
Page 3 - Resolution No. R11- 12 CMS

SECTION 4. That this Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual daily operation of a municipal department, to wit:

“to authorize a resolution indicating the opinion of Oberlin City Council on a matter of great importance to the citizens of the municipality and the State of Ohio in a timely manner”, and shall take place immediately upon passage.


PASSED: 1st Reading – November 21, 2011(S, E)
2nd Reading –
3rd Reading –

ATTEST:



BELINDA B. ANDERSON, CMC
CLERK OF COUNCIL

POSTED: 11/22/2011



KENNETH SLOANE
CHAIR OF COUNCIL

EFFECTIVE DATE: 11/21/2011