

TAXATION

CHAPTER 181 - INCOME TAX

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181.01 PURPOSE

To provide funds for the purpose of general Municipal operations, maintenance of equipment, new equipment, extension, enlargement and improvement to Municipal services and facilities and capital improvements of the City, there is levied a tax on salaries, qualifying wages, commissions and other compensation, and on net profits and other taxable income hereinafter provided.

181.02 DEFINITIONS

- (a) As used in this chapter, the following words shall have the meaning ascribed to them in this section, except if the context clearly indicates or requires a different meaning.
 - (1) **A**adjusted federal taxable income **@**means a C corporation **≠** federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, but including subsequent adjustments from required additions and deductions. Pass-through entities must compute adjusted federal taxable income as if the pass-through entity was a C corporation. This definition does not apply to any taxpayer required to file a return under Ohio R.C. 5745.03 or to the net profit from a sole

proprietorship.

(2) **Assignment** means the assignment made by a resident of Orrville of claim for refund due from another taxing municipality granting credit to nonresidents thereof.

(3) **Association** means a partnership, limited partnership, limited liability company, any Sub-S Corporation or any other form of unincorporated enterprise, owned by one (1) or more persons.

(4) **Board of Review** means the Board created by and constituted as provided in Section 181.10.

(5) **Business** means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, including but not limited to the renting or leasing of real estate or personal property, whether by an individual, partnership, association, corporation or any other entity.

(6) **Corporation** means a corporation or joint stock association organized under the laws of the United States, the State of Ohio, or any other state, territory or foreign country or dependency.

(7) **Day** For purpose of the twelve (12) day calculation (Sec. 181.031(m)), any portion of a day worked in Orrville shall be counted as one day worked in Orrville, whether it is an hour or eight (8) hours. For purpose of calculating days worked outside of Orrville for refunding (Sec. 181.05(g)(6)), a day means a complete day worked outside Orrville.

(8) **Domicile** means the place where a taxpayer has his true, fixed, and permanent home, and to which, whenever the taxpayer is absent, he has the intention of returning. Factors to be considered when determining domicile are, but are not limited to: registration of vehicles; current driver's license; address of Federal and State income tax returns; address on voter's registration; attendance at schools by taxpayer's family; county of taxpayer's estate if deceased.

(9) **Employee** means one who works for wages, salary, commission or other type of compensation in the service of an employer and whose wages, salary, or commission are subject to withholding of Federal Income Tax, Social Security Tax, and/or Medicare Tax.

(10) **Employer** means an individual, partnership, association, corporation, governmental body, unit or agency, or any other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission or other compensation basis.

(11) **Fiscal Year** means an accounting period of twelve (12) months or less ending on any day other than December 31.

(12) **Generic Form** means a paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability or for filing a refund claim that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation's tax on income. Any municipality that requires taxpayers to file income tax returns, reports, or other documents shall accept for filing a generic form of such a return, report, or document if the generic form, once completed and filed, contains all of the information required to be submitted with the municipality's prescribed returns, reports, or documents.

(13) **Gross Receipts** means the total income of taxpayers from whatever source derived.

(14) **Income from a pass-through entity** means partnership income of partners, membership interests of members of a limited liability company, distributive shares of shareholders of an S corporation, or other distributive or proportionate ownership shares of income from other pass through entities.

(15) **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 defined in Chapter 5701 of the Ohio Revised Code, 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 or other similar games of chance.

(16) **Internal Revenue Code** means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended.

(17) **Internet** means the international computer network of both Federal and nonfederal interoperable packet switched data networks, including the graphical subnetwork known as the world wide web.

(18) **Limited Liability Company** means a limited company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.

(19) **Municipality** means the City of Orrville.

(20) **Net Profit** for a taxpayer other than an individual means adjusted federal taxable income and **net profit** for a taxpayer who is an individual means the individual's profit, required to be reported on schedule C, schedule E, or schedule F.

(21) **Nonqualified deferred compensation plan** means a compensation plan described in Section 3121 (v)(2)(C) of the Internal Revenue Code.

- (22) **Nonresident** means an individual domiciled outside the City of Orrville.
- (23) **Nonresident incorporated business entity** means an incorporated business entity not having an office or place of business within the City of Orrville.
- (24) **Nonresident unincorporated business entity** means an unincorporated business entity not having an office or place of business within the City of Orrville.
- (25) **Other payer** means any person, other than an individual employer or the employer agent, that pays an individual any amount included in the federal gross income of the individual.
- (26) **Other taxable income** means other income as reported on form W-2 or 1099's, including but not limited to non-competition covenants, lottery winnings, sports winnings, gambling winnings, portion of stock options not considered capital gains by the City of Orrville, gifts of any type in connection with services rendered, compensation paid to domestic employees and casual employees.
- (27) **Owner** means a partner of a partnership, a member of a limited liability company, a shareholder of an S corporation, or other person with an ownership interest in a pass-through entity.
- (28) **Owner's proportionate share** with respect to each owner of a pass-through entity, means the ratio of:
- (a) The owner's income from the pass-through entity that is subject to taxation by the municipal corporation, to
 - (b) The total income from that entity of all owners whose income from the entity is subject to taxation by that municipal corporation.
- (29) **Pass-through entity** means a partnership, limited liability company, S corporation, or any other class of entity the income or profits from which are given pass-through treatment under the Internal Revenue Code.
- (30) **Pension** means income earned or received as a result of retirement from employment from an IRS qualified retirement plan and which is generally, although not exclusively, reported to the taxpayer by the payer on a Form 1099-R or similar form.
- (31) **Person** includes individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity.
- (32) **Place of Business** means any bona fide office (other than a mere statutory office), factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business activity, individually or through one (1) or more of his regular agents or

employees of the taxpayer regularly in attendance. A taxpayer does not have a regular place of business outside Orrville solely by cosigning goods to an independent agent or contractor outside the city for sale.

(33) **Principal place of business** means in the case of an employer having headquarters activities at a place of business within a taxing municipality, the place of business at which the headquarters is situated. In the case of an employer not having its headquarters activities at a place of business within a taxing municipality, the term means the largest place of business located in a taxing municipality.

(34) **Qualified plan** means a retirement plan satisfying the requirements under Section 401 of the Internal Revenue Code as amended.

(35) **Qualifying wage** represents employees income from which municipal tax shall be deducted by the employer.

(36) **Relief** means a credit of the amount of such tax rate paid to such other municipality but not in excess of the tax rate assessed by this chapter.

(37) **Resident** means an individual domiciled in the City of Orrville.

(38) **Resident incorporated business entity** means an incorporated business entity whose office, place of operations or business situs is within the City of Orrville.

(39) **Resident unincorporated business entity** means an unincorporated business entity having an office or place of business within the City of Orrville.

(40) **Return Preparer** means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other document for or on behalf of the taxpayer.

(41) **Schedule C** means Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

(42) **Schedule E** means Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

(43) **Schedule F** means Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

(44) **A Corporation** means a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

(45) **Taxable Income** means:

- (a) Qualifying wages, paid by an employer or employers.

- (b) Total compensation paid to an individual in cash or in kind on an hourly, daily, weekly, monthly, annual, or other basis.
- (c) Severance or termination pay.
- (d) Wage continuation payments made as a result of early retirement or employment termination.
- (e) Wage continuation payments made as a result of sickness or temporary disability and whether paid by the recipient's employer or by a third party.
- (f) Vacation or holiday pay.
- (g) Tips or gratuities received.
- (h) The cost of group term insurance premiums (in excess of \$50,000.00) paid on an employees behalf.
- (i) Employee contributions to tax sheltered annuities, non-qualified pension plans, or into employer or third party trusts or pension plans as permitted by IRS and which may be excludable from wage for federal tax purposes.
- (j) Ordinary income portion of stock options or employee stock purchase plans.
- (k) Supplemental unemployment benefits (SUB Pay).
- (l) Strike pay.
- (m) Employer or employee contributions or amounts credited to non-qualified pension plans or deferred compensation plans at the time of deferral and to the extent subject to Medicare Tax.
- (n) Fringe benefits subject to tax by IRS.
- (o) Guardian, executor, conservator, trustee, or administrator fees.
- (p) Bonuses.
- (q) Ordinary income portion of lump sum distributions which become subject to federal tax because the recipient did not roll over the distribution within the time required by IRS.
- (r) Compensation for personal services and other income defined by statute as taxable, and/or adjusted federal taxable income from the operation of a business, profession, or other enterprise or activity adjusted in accordance with the provisions of this Chapter.

(46) **T**axable year means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(47) **T**axing Municipality means a municipality levying a tax on income earned by nonresidents working within such municipality or on income earned by its residents.

(48) **T**axpayer means a person, whether an individual, partnership, association or any corporation or other entity, required hereunder to file a return or pay a tax

- (b) The singular shall include the plural, and the masculine shall include the feminine and the neuter.

181.03 IMPOSITION OF TAX

(a) **Taxable Income:**

Subject to the provisions of Section 181.16, an annual tax for the purposes specified in Section 181.01 shall be imposed on and after October 10, 1970, at a rate of one percent (1.0%) per year upon the following:

1. On all qualifying wages, commissions, other compensation, and other taxable income earned or received by residents of Orrville.
2. On all qualifying wages, commissions, other compensation, and other taxable income earned or received by nonresidents for work done, or services performed or rendered, in Orrville.
3. On lottery winnings and prize money in the amount of more than one thousand dollars (\$1,000.00), received on and after January 01, 2004.
4. On the portion attributable to Orrville of the net profits earned by all resident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered, and business or other activities conducted in Orrville.
5. On the portion of the distributive share of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity not attributable to Orrville and not levied against such unincorporated business entity or pass-through entity.
6. On the portion attributable to Orrville on the net profits by all nonresident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in Orrville, whether or not such unincorporated business entity has an office or place of business in Orrville.
7. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to Orrville and not levied against such unincorporated business entity or pass-through entity.
8. On the portion attributable to Orrville of the net profits earned by all corporations that are not pass-through entities from work done or services performed or rendered and business or other activities conducted in Orrville, whether or not such corporations have an office or place of business in Orrville.
9. In determination of net profit subject to Orrville income tax, begin with **A**adjusted Federal Taxable Income**@**(FTI) and make the following adjustments:

- a. Deduct intangible income to the extent it is included in FTI. 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.
- b. Add an amount equal to five percent of intangible income deducted under (7) (a) 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.
- c. 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.
- d.
 - 1. Except as provided in subsection (a)(1)(D.2.) hereof, 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.
 - 2. Subsection (a)(1)(D.1.) hereof 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.
- e. Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income.
- f. In the case of a real estate investment trust and 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;
- g. If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except;
 - 1. Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense, and
 - 2. Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner employee, and amounts paid or accrued to or for life insurance for an owner or owner employee shall not be allowed as a deduction.

Nothing in subsection (a)(1) hereof 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.

Nothing in this chapter shall be construed as limiting or removing the ability of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

(b) Businesses Inside and Outside Orrville Boundaries:

Net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered as having a taxable situs in such municipal corporation for purposes of municipal income taxation in the same proportion as the business allocation formula result. If the taxpayer had a place of business outside Orrville, and was doing business in Orrville during such period, the business allocation percentage shall be computed on the following basis. This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745, or the Ohio Revised Code.

- (1) The average **original cost** of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation 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. 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 persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same period to persons employed in the business profession, wherever their services are performed, excluding compensation that is not taxable by the municipal corporation under Section 718.011 of the Ohio Revised Code.
- (3) Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.
- (4) Adding together the percentages, determined in accordance with subsections (b)(1)(2) and (3), hereof, or such of the aforesaid percentages as are applicable to the particular taxpayer and dividing the total so obtained by the number of percentages used in deriving such total.
 - (a) A factor is applicable even though it may be apportioned entirely in or outside Orrville.

- (b) Provided however, that in the event a just and equitable result cannot be obtained under the formula provided for herein, the Tax Administrator, upon application of the taxpayer, shall have the authority to substitute other factors or methods calculated to effect a fair and proper apportionment.

(c) **Sales Made in a Municipal Corporation:**

- (1) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation.
- (2) All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion.
- (3) All sales of tangible personal property shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(d) **Net Operating Losses:**

- (1) If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits.
- (2) Net operating losses may not be carried forward or back.
- (3) A current year net operating loss by a business or profession may not be deducted from employee earnings.

(e) **Consolidated Return:**

- (1) May be filed by a group of corporations who are affiliated through stock ownership if that affiliated group filed for the same tax period a consolidated return for Federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code. A consolidated return must include all companies that are so affiliated.

- (2) Once a consolidated return has been filed for any taxable year, consolidated returns shall continue to be filed in subsequent years unless the applicable requirements of the Rules and Regulations for discontinuing the filing of consolidated returns have been met.

(f) **Rental Property:**

For the purpose of determining whether or not rental or leased property is subject to the tax, the following test will apply.

- (1) Where the gross monthly rental of all rental properties exceeds an aggregate of one hundred dollars (\$100.00) per month, it shall be prima facie evidence that the rental, ownership, management or operation of such property or properties shall be subject to the tax.
- (2) The average monthly rental shall be determined by dividing the number of months (or portion thereof) that the property or properties are actually rented into the total rents received for the period actually rented.
- (3) The one hundred dollar (\$100.00) per month figure is attributable to the property itself, regardless of the forms or ownership or number of owners.

If a rented or leased property is determined to be subject to tax based on the test provided in subsection (1), (2), and (3) above, and the property or properties are owned by two or more taxpayers, the profits or losses from such rental or lease activity shall be included with other sources of income to the owners in proportion to their ownership interests.

Residents of Orrville are subject to taxation upon the net income from rentals (to the extent above specified), regardless of the location of the real property owned.

Nonresidents of Orrville are subject to such taxation only if the real property is situated within Orrville. Nonresidents, in determining whether gross monthly rentals exceed one hundred dollars (\$100.00), shall take into consideration only real estate situated within Orrville.

A taxpayer who incurs a combination of losses and profits from the operation of two or more resident businesses, including rental, during the same tax year, may offset the business losses against the business profits to compute the taxpayer's taxable city income.

(g) **Federal Form 2106 or 2106EZ:**

An employee may reduce income subject to Orrville tax by deducting unreimbursed employee business expenses (2106 or 2106EZ expenses) which the employee deducted as an itemized deduction before reduction by two percent (2%) of the employee's AGI on

his or her federal tax return. Taxpayer must furnish a copy of the form 2106 or 2106EZ and Schedule A of form 1040 as filed with the IRS. Further, the 2106 or 2106EZ must be first allocable to the taxpayer's city of employment.

181.031 EXEMPTIONS: SOURCES OF INCOME NOT TAXED

The tax provided for herein shall not be levied on the following:

- (a) Proceeds from welfare benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service.
- (b) Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damages for loss of profit and wages.
- (c) Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
- (d) Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations and income of a decedent's estate during the period of administration (except such income from the operation of a business).
- (e) Alimony.
- (f) Compensation for damage to property by way of insurance or otherwise.
- (g) Income from intangibles, as defined in Section 181.02, (16) hereof.
- (h) Military pay or allowances of members of the Armed Forces of the United States and members of their reserve components, including the Ohio National Guard (ORC 718.01).
- (i) If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from Orrville income tax.
- (j) Parsonage allowances paid to a minister of the gospel as part of his compensation, or the rental allowance paid to a minister of the gospel as part of his compensation, to the extent used by him to rent or provide a home pursuant to Section 107 of the Internal Revenue Code.
- (k) Compensation paid under Section 3501.28 or 3510.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars (\$1,000.00) annually. Such compensation

in excess of one thousand dollars (\$1,000.00) may be subject to taxation. The payer of such compensation is not required to withhold Orrville tax from that compensation.

- (l) Compensation paid to an employee of a transit authority, regional transit authority, or regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through Orrville, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such tax by reason of residence or domicile in Orrville, or the headquarters of the authority or commission is located within Orrville.

- (m) Orrville shall not tax the compensation paid to a nonresident for personal services performed by the individual in Orrville on twelve (12) or fewer days in a calendar year unless one of the following applies:
 - (1) The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days and the individual is not liable to that other municipality for tax on the compensation paid for such services.

 - (2) The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined in Orrville.

- (n) The income of a public utility, when that public utility is subject to the tax levied under Section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745, of the Ohio Revised Code:
 - (1) The income of an electric company or combined company.
 - (2) The income of a telephone company.

As used in this section, ~~A~~combined company ~~@~~Electric company ~~@~~and ~~A~~telephone company ~~@~~ have the same meanings as in Section 5727.01 of the Ohio Revised Code.

- (o) Personal earnings of all individuals under eighteen (18) years of age. The individual shall be subject to tax beginning from the birth-date in the year in which the individual becomes eighteen.

- (p) The amount of unreimbursed employee business expense (2106 expense) which the employee computed as an itemized deduction before reduction by 2% of the employee's AGI on his federal tax return. Taxpayer must furnish a copy of the

form 2106 and Schedule A of form 1040 as filed with IRS. Further, the 2106 expenses must be first allocable to the taxpayer's city of employment.

(q) Expenses Not Deductible

- (1) Health insurance premiums paid by self-employed taxpayers as permitted by IRS is permitted for Orrville.
- (2) Self-employment tax paid by self-employed taxpayers as permitted by IRS is permitted for Orrville.
- (3) Contributions to IRA or Keough plans made by self-employed taxpayers as permitted by IRS is permitted for Orrville.
- (4) Net operating loss, carried forward or back. (loss allowed for current tax period only).

181.04 EFFECTIVE DATE

The tax shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after October 01, 1970, and with respect to the net profit of businesses, professions and other activities earned on and after October 01, 1970. However, where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to that part of the net profit for the fiscal year as is earned on and after October 01, 1970, to the close of the taxpayer's fiscal year; thereafter the taxpayer shall report on its fiscal year basis.

181.05 RETURN AND PAYMENT OF TAX

(a) **Return and Time of Filing:**

- (1) Each taxpayer, or person eighteen (18) years of age or older, except as herein provided, shall whether or not a tax is due thereon, make and file a return on or before April 15 of the year following the effective date of this chapter, and on or before April 15 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed on or before the fifteenth (15th) day of the fourth (4th) month following the end of such fiscal year or period.
- (2) The Finance Director/Income Tax Administrator is authorized to accept from an employer or employers, a wage and earning statement (W-2), showing the amount of Orrville tax deducted by said employer or employers from the qualifying wages, commissions, other compensation, and other taxable income of a nonresident employee, and paid by the employer or employers to the Orrville Income Tax Department as the required return
- (3) The return shall be filed with the Finance Director/Tax Administrator on a form or forms furnished by or obtainable upon request from such Income Tax

Department, or on a generic form, when completed and filed, contains all of the information required to be submitted with Orrville's prescribed return and, if the taxpayer or return preparer filing the generic form otherwise complies with the Tax Code governing the filing of returns. As provided in Section 718.051 of Ohio Revised Code, for taxable years beginning after January 01, 2005, a business whose net profits are subject to tax under this Chapter may file its Municipal income tax return by using the Ohio Business Gateway.

- (4) The return shall set forth:
 - (a) The aggregate amounts of qualifying wages, commissions, other compensation received, allocated, apportioned or set aside, other income defined by statute as taxable, and gross income from any business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to said tax; and
 - (b) The amount of the tax imposed by this Tax Code on such earnings and profits; and
 - (c) Such other pertinent statements, information returns, copies of federal or state tax returns and/or schedules, or other information as the Finance Director/Tax Administrator may require, including a statement that the figures used in the return are the figures used for federal income tax adjusted to set forth only such income as is taxable under the provisions of this Chapter.

(d) **Extension of time for filing returns.**

- (1) Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for filing of an Orrville Income Tax Return by filing a copy of the taxpayer's federal extension request with the Orrville Tax Department. Any taxpayer not required to file a federal income tax return may request an extension for filing an Orrville Income Tax Return in writing. The request for an extension must be filed on or before the original due date of the Orrville income tax return shall be the last day of the month following the month to which the due date of the federal income tax return has been extended.
- (2) The Finance Director/Tax Administrator may deny a taxpayer's request for extension if the taxpayer:
 - (a) Fails to file the request; or
 - (b) Fails to file a copy of the federal extension request, (if applicable) or
 - (c) Owes Orrville any delinquent income tax, penalty, interest or other charge for late payment or nonpayment of income tax; or

- (d) Has failed to file any required income tax return, report, or other related document for a prior tax period.
- (3) The granting of an extension for filing an Orrville tax return does not extend the due date as provided in this section for payment of the tax; hence, penalty and interest may apply to any unpaid tax during the period of extension at the rate set out by Section 181.10. No penalty shall be assessed in those cases in which the return is filed and the final tax paid within the extension period provided all other filing and payment requirements of the Tax Code have been met.
- (e) **Payment with Return:**
 - (1) The taxpayer making a return shall, at the time of filing thereof, pay to the Income Tax Administrator the amount of taxes shown due, after deducting:
 - (a) The amount of Orrville income tax deducted or withheld at the source pursuant to section 181.06.
 - (b) Such portion of the tax as has been paid on declaration by the taxpayer pursuant to Section 181.07;
 - (c) Any credit allowable under provisions of Section 181.15 for tax paid to another municipality.
- (f) **Amended Returns.**
 - (1) Where necessary, an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 181.11 and 181.15. Such amended returns shall be on a form obtainable upon request from the Tax Administrator. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.

- (2) Within three (3) months from the final determination of any Federal tax liability affecting the taxpayer's Orrville tax liability, such taxpayer shall make and file an amended Orrville return showing income subject to the Orrville tax based upon such final determination of Federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

(g) **Refunds and Overpayments.**

- (1) A taxpayer who has overpaid the amount of tax to which the Municipality is entitled under the provisions of this Chapter to have such overpayment applied against any subsequent liability hereunder. The taxpayer also has the option to have any overpayment of five dollars (\$5.00) or more refunded.
- (2) Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date on which such payment was made, or the return was due, or three (3) months after determination of the federal income tax liability, whichever is later.
- (3) No refund shall be made to any taxpayer until he has complied with all provisions of the chapter and has furnished all information required by the Finance Director or Income Tax Administrator.
- (4) Overpayments will be either refunded, or credited to the taxpayer's current year's liability, at his option. Where no election has been made, overpayments of any year's taxes shall be applied in the following order:
 - (a) To unpaid penalty and interest assessments.
 - (b) To the taxes owed for any previous year in the order in which such taxes became due.
 - (c) To the current estimated tax liability.
- (5) Items included on Federal form 2106 are eligible as deductions, but subject to review and approval by the Finance Director and Tax Administrator. 2106 deductions are also subject to limitations imposed by the federal government.
- (6) Should the Finance Director or Tax Administrator discover, through the filing of a claim for refund that too much tax has been withheld by the employer from the employee and remitted to the municipality, the employer will be required to refund the excess tax to the employee. The employer shall then be allowed a credit against the next remittance of taxes withheld. When taking the credit, the employer must provide an explanation of the overwithheld tax along with any records to support the credit. In those cases in which too much has been withheld by the employer from an employee and remitted to the municipality, and there has been a termination of the employee-employer relationship, the taxpayer (employee) may obtain a refund by filing a refund claim with the Orrville Tax

Department.

- (7) Refunds for days worked out of Orrville are available to nonresident, salaried, executive or managerial personnel, who spend at least twenty percent (20%) of their working time outside the City of Orrville. To be eligible for a refund:
- (a) Orrville income tax was withheld from your full salary as paid and remitted to the Orrville Tax Department; and
 - (b) Taxpayer must not be domiciled in an Ohio municipality with an income tax; and
 - (c) Taxpayer must be a nonresident of Orrville.

If claiming a refund based on work performed outside the City of Orrville, the request must be accompanied by a **Work Schedule** of days worked outside the City of Orrville. This schedule lists each day of work and where the work was performed. Only complete days worked outside Orrville should be included on the work schedule. Do not list Saturdays, Sundays, holidays, sick days or vacation days as they will be disallowed. Days worked in other Ohio municipalities with an income tax will be disallowed. The work year shall be considered two hundred sixty (260) days. Wage continuation plans of any type (including, but not limited to, vacation days, holidays, personal days, and sick days) are deemed to be days spent in Orrville for the purpose of a refund calculation. The completed work schedule must be certified by a payroll officer or other employer representative who can certify as to the correctness of the schedule. Additions, deletions, or other changes to the method for calculating refunds shall be at the discretion of the Finance Director or Income Tax Administrator. Refund payments will be made after requests have been audited for accuracy of information and calculation.

Amounts of less than five dollars (\$5.00) shall not be collected or refunded.

(h) **Officer or Employee Liability.**

The officer or employee of such employer having control or supervision or charged with the responsibility of filing the return and making the payment, shall be personally liable for failure to file the return or pay the tax, penalties, or interest due as required herein. The dissolution, bankruptcy or reorganization of any such employer does not discharge an officer's or employee's liability for a prior failure of such business to file a return or pay taxes, penalties, or interest due.

(i) **Receipt of Return.**

The return is considered received if mailed, on the date postmarked by the United States Postal Service or on the date delivered without mailing to the Orrville Tax Office.

(j) **Tax Return Supporting Documentation.**

Information returns, schedules and statements required to support tax returns which are incomplete without such information shall be filed within the time limits set forth for the filing of the tax returns and the failure to file such information returns, schedules and statements shall be a violation of this Tax Code. Provided, however, that the taxpayer shall have ten (10) days after notification by the Director/Administrator, to file the items required by this paragraph.

(k) **Receipt of Tax Forms.**

The failure of any taxpayer to receive or procure a return, declaration or other required form shall not excuse the taxpayer from filing such forms or from paying the tax due.

(l) **Payment Allocation.**

Payments received for taxes due shall be allocated first to penalties due, then to interest due, and then to taxes due.

(m) **Installment Agreement.**

The Income Tax Administrator is authorized but is not required to arrange for the payment of unpaid taxes, interest and penalties on a schedule of installment payments when the taxpayer has proved to the Tax Administrator that, due to certain hardship conditions, he is unable to pay the full amount of the tax due. Such authorization shall not be granted until proper returns are filed by the taxpayer for all amounts owed by him under the ordinance.

(n) **Joint Return.**

Joint returns may be filed by married couples but the tax imposed on each spouse's W-2 income will be calculated separately and no offsets of deductions against the other spouse's W-2 income is permitted. Tax returns filed jointly by spouses must be filed under the same status until a change in marital status occurs.

181.06 COLLECTION AT SOURCE - WITHHOLDING

(a) **Withholding by Employer.**

Each employer within, or doing business within, Orrville who employs one or more persons on a salary, wage, commission or other compensation basis shall deduct, when such salary, wage, commission or other compensation is paid, allocated, apportioned or set aside, the tax at a rate provided in Section 181.03 hereof on the qualifying wages due by such employer to each such employee. Employers shall make a return and pay to the Tax Administrator the amount of taxes so deducted according to the following:

- (1) Quarterly payments of Municipal income taxes withheld shall be made by an employer on or before the last day of the month following each calendar quarter, or at more frequent intervals, make a return and pay to the Orrville Tax Department the amount of taxes so deducted.
- (2) The return shall be on a form or forms prescribed by or acceptable to the Finance Director and Tax Administrator and shall be subject to the Rules and Regulations prescribed by the Finance Director and Tax Administrator. An employer may report the amount of Municipal income tax withheld from qualifying wages and paid on or after January 1, 2007, and may remit such amounts, by using the Ohio Business Gateway.
- (3) Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld. The failure of an employer to remit to the municipality corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.
- (4) An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirement to withhold the tax.

(b) **Employer Considered as Trustee.**

Each employer in collecting such tax shall be deemed to hold the same, until payment is made by such employer to Orrville, as a trustee for the benefit of Orrville, and any such tax collected by such employer from his employees shall, until the same is paid to Orrville, be deemed a trust fund in the hands of such employer. Each employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such tax, in fact, has been withheld.

(d) **Responsibility for Withholding.**

Any person who is required to withhold tax from qualifying wages shall pay all such tax to Orrville in accordance with the provisions of this section. In the event taxes withheld from the qualifying wages of employees are not paid to Orrville in accordance with the provisions of this section, all officers, members, managers, employees, and trustees having control or supervision of or charged with the responsibility of filing the return and making payment are jointly and severally personally liable for the tax not returned or paid to Orrville as well as any related interest and penalties, and are also liable under the provisions of Section 181.12 hereof. The dissolution, termination, or bankruptcy of a corporation, limited liability company, or business trust does not discharge an officer's, member's, manager's, employee's, or trustee's liability for a failure of the corporation,

limited liability company, or business trust to file returns or pay said taxes.

(e) **Annual Withholding Reconciliation.**

Each employer shall file a withholding tax reconciliation and listing showing the sum total of all compensation paid all employees, the portion of which, (if any) was not subject to withholding along with an explanation for same, and the portion of which was subject to withholding, together with the amount of such withholdings remitted. Such return shall include information concerning each employee from whom the Orrville tax was withheld, showing the name, address, zipcode and social security number of each such employee, the total amount of compensation paid during the year and the amount of Orrville tax withheld. If the total tax withheld from any employee included tax withheld and remitted to another municipality, the amount of same shall be separately shown on the return of information to Orrville concerning each employee. Copies of IRS form W-2 (Wage and Tax Statements) may be submitted in lieu of such listing as long as all information is inclusive. The withholding tax reconciliation shall be filed by each employer on or before February 28, following the end of such calendar year.

(f) **Form 1099 - Miscellaneous Income.**

In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc. payment to individuals not treated as employees for services performed shall also report such payments to Orrville when the services were performed in Orrville. The information may be submitted on a listing, and shall include the name, address, and social security number (or federal identification number), and the amount of payments made. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before February 28, following the end of such calendar year.

(g) **Duty to Retain Records.**

Every employer shall retain all records necessary to compute withholding taxes due Orrville for a period of five (5) years from the date the Reconciliation Form (W-3), W-2 Forms, and 1099 Forms are filed.

(h) **Timely Filed Returns.**

The return is considered received when all returns and forms required to be filed by an employer are received on the date postmarked by the United States Postal Service or on the date delivered without mailing by the taxpayer to the Orrville Tax Department.

(i) **Form Receipt.**

The failure of any employer to receive or procure a return, or other required form shall

not excuse the employer from preparing any information return, withholding tax returns or from filing such forms or from paying the tax due.

(j) **Payment Allocation.**

Payments received from withholding taxes due shall be applied first to penalties due, then to interest due, and then to taxes due.

(k) **Domestic Servants.**

No person shall be required to withhold the tax on the qualifying wages, commissions, other compensation, and other taxable income paid domestic servants employed exclusively in or about such person's residence. However, such domestic servants shall be responsible for filing and paying their own returns and taxes.

181.07 ESTIMATED TAX PAYMENTS

Taxpayers who expect to receive taxable income for the coming year may declare estimated tax payments. Twenty-two and one-half percent (22.5%) of the full amount to be paid at the time of filing the annual return (April 15th). The due date of the remaining estimated tax payments are July 31, October 31, of the current year, and on January 31 of the subsequent year. The amounts due on those dates are not to exceed forty-five percent (45%), sixty-seven and one-half percent (67.5%), and ninety percent (90%), respectively of the tax estimated to be due. Estimated tax payments number 2, 3 and 4 will be billed. This declaration is not mandatory.

181.08 DUTIES OF THE FINANCE DIRECTOR / TAX ADMINISTRATOR

- (a) It shall be the duty of the Finance Director/Income Tax Administrator to collect and receive the tax imposed by this Chapter in the manner prescribed therein, to keep an accurate record thereof, and to report all monies so received.

It shall be the duty of the Finance Director/Income Tax Administrator to enforce payment of all income taxes owing Orrville, to keep accurate records for a minimum of six (6) years, showing the amount due from each taxpayer required to file a declaration or make any return, including a return of taxes withheld, and to show the dates and amounts of payments thereof.

- (b) The Finance Director is hereby charged with the enforcement of the provisions of this Chapter, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this Chapter, including provisions for the re-examination and correction of returns.

- (c) In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Finance Director/Income Tax Administrator may determine the amount of tax appearing to be due Orrville from the taxpayer and may send to such taxpayer a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any.
- (d) Subject to the consent of a majority of the Board of Review, the Finance Director/Income Tax Administrator shall have the power to compromise any liability imposed by this Tax Code.
- (e) Upon the demonstration and documentation of good cause, the Finance Director shall have the power to compromise penalty and interest liabilities imposed by this Chapter, consistent with this Chapter and the Rules and Regulations.

**181.09 INVESTIGATIVE POWERS AND PENALTY FOR DIVULGING
CONFIDENTIAL INFORMATION**

- (a) The Finance Director/Income Tax Administrator, or any of his authorized agents, is hereby authorized to examine the books, papers, records and federal income tax returns of any employer, taxpayer, or any person subject to, or whom the Finance Director/Income Tax Administrator believes is subject to, the provisions of this Chapter for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax or withholdings due under this Chapter. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish, upon written request of the Finance Director/Income Tax Administrator, or his duly authorized agent or employee, the means, facilities and opportunities for making such examinations and investigations as are hereby authorized.
- (b) The Finance Director/Income Tax Administrator is hereby authorized to order any person, presumed to have knowledge of the facts, to appear at the office of the Finance Director/Income Tax Administrator and to examine such person, under oath, concerning any income which was or should have been reported for taxation, or withheld, or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and federal income tax returns, and the attendance of all persons before him , whether as parties or witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.
- (c) The refusal to produce books, papers, records or federal income tax returns, or the refusal to submit to such examination by any employer or person subject, or presumed to be subject, to the tax or by any officer, agent or employee of a person subject to the tax or required to withhold tax, or the failure of any person to comply with the provisions of this section or with an order or subpoena of the Finance Director/Income Tax Administrator authorized hereby, shall be deemed a violation of this Chapter punishable as provided in Section 181.12.

- (d) Every taxpayer shall retain all records necessary to compute his tax liability for a period of six (6) years from the date his return is filed or the taxes required to be withheld are paid.
- (e) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this Chapter shall be confidential and no person shall disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this Chapter. The Finance Director/Income Tax Administrator of the municipal corporation may furnish copies of returns filed under this Chapter to the Internal Revenue Service and to the State Tax Commissioner.
- (f) Any person divulging such information shall be guilty of a misdemeanor punishable by a maximum fine of five hundred dollars (\$500.00) or imprisoned for not more than six (6) months, or both.

181.10 INTEREST AND PENALTIES

- (a) All taxes imposed and all moneys withheld or required to be withheld by employers, under the provisions of this Chapter and/or remaining unpaid after they become due, shall bear interest at the rate of one half percent (.5%) per month or fraction thereof.
- (b) In addition to interest as provided in subsection (a) hereof, penalties based on the unpaid tax are hereby imposed as follows:
 - (1) For failure to pay taxes due, other than taxes withheld, fifty dollars (\$50.00);
 - (2) For failure to remit taxes withheld or required to be withheld from employees, fifty dollars (\$50.00);
 - (3) A late filing fee shall be assessed against the taxpayer for filing after the due date of the return, or for failure to file a timely approved extension thereof, even if there is no balance due. The late filing fee is fifty dollars (\$50.00).
- (c) The Finance Director/Income Tax Administrator may waive or abate any interest or penalties as he or she, in his or her discretion deems proper.

181.11 COLLECTION OF UNPAID TAXES BY CIVIL LITIGATION AND REFUNDS OF OVERPAYMENT

- (a) All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amounts are recoverable. Such suit shall be brought within three (3) years after the tax was due or the return was filed, whichever is later, in accordance with Ohio Revised Code 718.12A.
- (b) Taxes erroneously paid shall not be refunded unless a claim for refund is made within the time limitation specified in Ohio Revised Code 718C and 718.121. Amounts of less than five dollars (\$5.00) shall not be refundable.

181.12 VIOLATIONS AND PENALTIES

- (a) The following shall be considered violations of this Ordinance:
 - (1) Failing, neglecting or refusing to make any return, information return or declaration required by this chapter; or
 - (2) Making any false or fraudulent return; or
 - (3) Knowingly file an incomplete return; or
 - (4) Failing, neglecting or refusing to pay the tax, penalties or interest imposed by this chapter; or
 - (5) Failing, neglecting or refusing to withhold the tax from employees or to remit such withholding to the Orrville Tax Department.
 - (6) Refusing to permit the Finance Director, Income Tax Administrator or any duly authorized agent or employee to examine books, records and papers relating to the income or net profits of a taxpayer; or
 - (7) Failure to appear before the Finance Director/Income Tax Administrator and to produce books, records, papers or Federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Finance Director/Income Tax Administrator; or
 - (8) Refusing to disclose to the Finance Director/Income Tax Administrator any information with respect to the income or net profits of a taxpayer; or
 - (9) Failure to comply with the provisions of this chapter or any order or subpoena of the Finance Director/Income Tax Administrator authorized hereby; or
 - (10) Providing an employer with false information as to true name, social security

number, residence address, or failure to promptly notify an employer of any change in his residence address and the date thereof; or

- (11) Failure to use ordinary diligence in maintaining proper records of employees= residence addresses, total wages paid and Orrville tax withheld or knowingly gives false or misleading information to the Finance Director/Income Tax Administrator; or
 - (12) Attempts to do anything whatever to avoid payment of the whole or any part of the tax, penalties or interest imposed by this chapter; or
 - (13) Failing, neglecting or refusing to complete and return to the Orrville Tax Office any tax form whose purpose is to determine if a resident must file an Orrville tax return.
- (b) Whoever violates any provision of subsection 181.12(a) hereof shall be guilty of a first degree misdemeanor and shall be fined not more than one thousand dollars (\$1,000.00), or imprisoned not more that six (6) months, or both, for each offense.
 - (c) Prosecutions for an offense made punishable under this chapter shall be commenced within three (3) years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five percent (25%) or more of the compensation or net profits required to be reported, prosecutions may be commenced within six (6) years after the commission of the offense in accordance with Ohio Revised Code 718.12B.
 - (d) The failure of any employer, taxpayer or person to receive or procure a return, declaration or other required form shall not excuse him from making any return, information return or declaration, from filing such form or from paying the tax.

181.13 BOARD OF REVIEW

- (a) A Board of Review, consisting of three electors of the City, one to be appointed by the Mayor, one to be appointed by the Director of Finance and the third to be selected by the two so appointed, is hereby created. No member shall be appointed to the Board who holds other public office or appointment. The members of the Board shall serve without compensation.
- (b) A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions.
- (c) Such records are not public records available for inspection under Section 149.43 of the Ohio Revised Code. Hearings requested by a taxpayer before a board of review created

pursuant to this section are not meetings of a public body subject to Section 121.22 of the Ohio Revised Code.

- (d) Any person dissatisfied with any ruling or decision of the Finance Director which is made under the authority conferred by this chapter and the rules and regulations related thereto, may appeal there from to the Board within thirty days from the announcement of such ruling or decision by the Finance Director, and the Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision or any part thereof.
- (e) Any person dissatisfied with any ruling or decision of the Board may appeal there from to a court of competent jurisdiction within thirty days from the announcement of such ruling or decision.
- (f) The Board, as created, shall serve during the life of this chapter.
(Ord.29-68 Passed 10-21-68)

181.14 ALLOCATION OF FUNDS

The funds collected under the provisions of this chapter shall be applied for the following purposes:

- (a) Such part as necessary to defray all costs of operation and administration of the Department of Taxation including refunds of any taxes overpaid;
- (b) The balance shall be allocated in accordance with ordinances adopted and approved by council.
- (c) Not more than eighty percent (80%) of the net available income tax receipts received annually may be used to defray operating expenses of the City. At least twenty percent (20%) of net available income tax receipts received annually shall be set aside and used for capital improvements for the City.

181.15 RELIEF: CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY

- (a) Where a resident of Orrville is subject to a municipal income tax of another municipality, the total amount charged shall not be greater than the tax imposed at the higher rate.
- (b) Every individual taxpayer who resides in Orrville and receives net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside Orrville, if it appears that he has paid a municipal income tax on the same income taxable under this Chapter to another municipality, shall be allowed a credit against the tax imposed by this Chapter of the amount so paid by him or on his behalf to such other municipality. The credit shall not exceed the tax assessed by

this Chapter on such income earned in such other municipality or municipalities where such tax is paid.

- (c) Credits provided for shall not be allowed unless the same are claimed in a return or form acceptable to, and filed with the Finance Director/Income Tax Administrator. In the event a taxpayer fails, neglects or refuses to file such return or form, he shall not be entitled to such credit and shall be liable for the full amount of tax assessed by this Chapter, together with such interest and penalties, both civil and criminal, prescribed in this Chapter.
- (d) No credit shall be given for any tax paid to a school district or county.
- (e) Orrville shall grant a credit against its tax on income to residents of Orrville who work in a joint economic development zone created under Section 715.691 or a joint economic development district created under Section 715.70, 715.71 or 715.72 of the Ohio Revised Code to the same extent that it grants a credit against its tax on income to its residents who are employed in another municipal corporation.

181.16 SEVERABILITY

If any sentence, clause, section or part of this chapter or any tax against any individual or any of the several groups specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein. If any wording in this chapter conflicts with wording in the Regulations, the wording in this chapter shall prevail.

181.17 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER

- (a) The provisions of this chapter shall remain in effect insofar as the levy of taxes is concerned until revoked, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of the taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Sections 181.11 and 181.12.
- (b) Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided in Section 181.05 and 181.06 as though the same were continuing.