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PRESS RELEASE
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CONTACT: Kent Scarrett, OML Director of Communications

OHIO MUNICIPAL LEAGUE CONTINUES OPPOSITION TO HB5

On the heels of a press conference held today by the sponsor's of HB5, the municipal income tax "uniformity" bill, the Ohio Municipal League (OML) and its over 750 member municipalities remain opposed to the latest version of the bill, for the same reasons HB601 was opposed.

HB5 is a reintroduction of HB601 from the previous General Assembly and unfortunately contains the same harmful components to the lifeblood of Ohio municipalities which is the ability to raise revenue to support basic services residents and businesses rely upon every day. The new bill, HB5, still contains the same onerous language that would: force municipalities to handover administrative powers to the State of Ohio by the legislation's mandate that Ohio Revised Code 718 would replace all locally controlled tax ordinances and failure to comply would result in a communities inability to enforce their voter supported income tax thus giving the state complete administrative authority over each of Ohio's 577 municipalities taxing procedures; result in the unnecessary expansion of state government through the creation of a new municipal tax policy board; create an unfunded mandate on over 230 Ohio municipalities by requiring them to offer a 5 year net operating loss carry-forward provision for businesses in their borders; lengthening the time an occasional worker can be in a municipality consuming those communities' services without an obligation to contribute to the financing of services used from 12 days to 20 days and the bill continues to restrict the ability of a municipality to collect the back tax obligation owed, which is the current uniform treatment practice, resulting in significant revenue loss for many communities; eliminate the current, uniformly applied local tax provision called the "throwback" provision which applies to certain sales originating from communities which would devastate local budgets statewide; force our basic service providing municipalities to use the same qualifying requirements as the state uses through the "Bright Line" test for determining a local residents residency status; replace the current uniform access municipalities currently employ through civil and criminal court actions, to ensure equal enforcement among taxpayers, and to enforce tax obligations in a timely manner with non-judgment, statutory liens significantly weakening collection practices.

These are only a few examples of issues, cloaked under the title of "uniformity", that are included in HB5 which are a continuation of language from HB601, from the 129th General Assembly. "This conversation is not occurring in a vacuum. Municipal budgets in Ohio continue to suffer from the effects of the current state budget where the Local Government Fund has been

cut in half, the repeal of the Estate tax and the accelerated phase-out of revenues to cities and villages through the Tangible Personal Property (TPP) tax. These changes have had real effects on local budgets”, OML Executive Director Susan Cave said. “We have repeatedly offered responsible language to the Sponsors that would address business concerns while protecting the integrity of Ohio’s municipal tax system,” Cave continued. “From the beginning of our conversations with the parties attempting to make these changes, we have always stressed we can achieve greater uniformity, responsibly, if we work together. What we have in HB5, like HB601, does not at all represent a responsible approach to resolving areas on non-uniformity that some in the business community have alleged to encounter. Good public policy must balance uniform municipal tax treatments with providing necessary services to all taxpayers.”